



Daily Report

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

RENMIN RIBAO Criticizes NATO Air Strikes on Serb Positions

HK1504121294 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 13 Apr 94 p 6

["Special article" by Yang Yuanhua (2799 0337 5478): "What Are NATO's Intentions in Launching Air Strikes?"]

[Text] On 10 and 11 April, two F-16 NATO aircraft twice bombed Serbian positions in Gorazde in eastern Bosnia-Herzegovina to prevent Serbian armed forces from taking Gorazde, a UN-declared protected region, and to protect UN peacekeeping forces. This was the first time that NATO had bombed ground forces since its establishment 45 years ago and the first time NATO attacked one side in the Bosnian conflict. They destroyed several tanks in Bosnia-Herzegovina's Serbian ground forces and bombarded a command center.

NATO's attacks show that it has taken off the mask of "neutrality," siding with one side and taking military action and armed threats against the other. This has cast a shadow over the prospects for a political resolution—which all sides are working for—has worsened and complicated the Bosnian situation, and has drawn the serious concern of the international community.

Judging from the military viewpoint, the military effect of the two air strikes were insignificant, but their political impact is huge. The fact that NATO took military action against Serbian armed forces for the first time shows that it has in reality abandoned the neutral position—a position which it had tried its best to retain in the Bosnian conflict—and it has become more deeply involved in the conflict. NATO has attempted to use this to show its strength and force the Serbs to submit. U.S. President Clinton said: "We will launch air strikes again if we are requested to authorize UN troops to give 'effective air support' in accordance with UN resolutions." The NATO air strikes were launched in the name of the United Nations without prior discussion at the Security Council. They were a precedent ushered in by NATO to expand its power to launch air strikes under the name of the United Nations and will harm the prestige of the United Nations. NATO's action reflects the United States' changed policy toward Russia and compels Russia to choose between NATO and defending its traditional ally. The air strikes in fact have encouraged Bosnian Muslims to ask for a higher price in the resolution of Bosnian conflict, have aroused the Serbs' dissatisfaction and feelings of resistance, and have further aggravated the Bosnian situation. Bosnia-Herzegovina's Serbian military headquarters published a bulletin saying that NATO's air strikes represented "brazen aggression" and that it has decided to break off all contacts with the UN peacekeeping forces in former Yugoslavia.

What the prospects will be in the wake of the air strikes are a disturbing question of concern to the international community. On 11 April, U.S. Defense Secretary Perry said that the U.S. administration opposes unilateral interference—sending U.S. ground troops—but does not rule out the possibility of launching air strikes. Some people in the West are worried that the Serbs will retaliate, rendering all the previous efforts of the UN peacekeeping forces futile. NATO officials are generally adopting a wait-and-see approach. Russian President Yeltsin favors the resolution of all problems in strict accordance with UN resolutions. Yeltsin said that, during a telephone conversation with Clinton, Clinton could not answer his question on whether the UN secretary general had agreed to the air strikes. Although the Serbs have not made a clear military response to this action, their 10 April bulletin said that they would use every means at their disposal to exercise the right of self defense.

The Bosnian situation has once again entered a delicate, complicated, and intensified stage. All sides are adopt an attitude of restraint to avoid escalating the war and are seeking a political resolution. This is precisely the goal that the international community generally is looking forward to.

Article Says Air Strikes 'Detrimental' to Bosnian Peace

HK1504135594 Beijing RENMIN RIBAO in Chinese 13 Apr 94 p 6

[Article by Gu Ping (0657 1627): "Air Strikes Are Detrimental to the Peace Process"]

[Text] The situation in Bosnia-Herzegovina has become the focus of attention once again. On the evening of 10 April and the afternoon of 11 April, as demanded by Yasushi Akashi, UN special envoy to former Yugoslavia, U.S. fighter planes carried out air strikes against Serbian military positions around Gorazde in Bosnia-Herzegovina. These were the first NATO air strikes against Serbian ground military targets since the outbreak of the war in Bosnia-Herzegovina two years ago, and they were important NATO military operations.

Gorazde was one of the six Muslim "protection zones" declared by the UN Security Council last year. The UN peace-keeping force maintains that it has the right to protect these zones so that "they will not come under armed attack by any side." This time NATO carried out air strikes against Serbian positions on these grounds.

After the air strikes, the Bosnian Serbs accused the UN peacekeeping force of "opposing the Serbs," announced the suspension of all their contacts with the UN peacekeepers, and canceled their prescheduled meeting with the U.S. special envoys. People fear that this NATO move will affect the UN peacekeeping force's neutral position in the Bosnian war and produce an unfavorable impact on the UN role in mediating the Bosnia-Herzegovina crisis.

Russian President Yeltsin has criticized the United States, saying that it had no right to unilaterally decide on the air strikes and that this should have been submitted to the Security Council for discussion. U.S. President Clinton has said that U.S. planes would carry out air strikes again if necessary. The dissensions between the United States and Russia on the Bosnia-Herzegovina issue have worsened further. People have noted that, over the last two months, due to Russian mediation, NATO delayed the plan on bombing Sarajevo, and the Serbs opened the Tuzla airport. So Russia's right to speak on the Bosnia-Herzegovina issue had grown markedly stronger. Evidently, NATO's current air strikes possibly have more political than military significance. These air strikes seemed to send out a dual signal: One is that "bombardment" will be used to bring about talks and force the Serbs to make concessions on the territorial issue; the other suggests to Russia that the United States and NATO are keeping the initiative in the Bosnian situation.

After the outbreak of the Sarajevo crisis in February, a new trend appeared in the peace talks on the Bosnian issue and some hope for peace in Bosnia-Herzegovina glimmered in people's minds. In this situation, NATO's current "bombardment" is unlikely to bring about peace; instead, they will possibly affect the peace process. In addition, various foreign powers are coming onto the stage from behind the scenes on the Bosnia-Herzegovina issue. On the one hand, this will help encourage the conflicting parties to participate in the peace talks; on the other, as their dissensions and contradictions become apparent, Bosnia-Herzegovina's peace process may become more complicated.

XINHUA Reports on Developments in Bosnia

UN Chief Threatens Using Force

*OW1604034094 Beijing XINHUA in English 0303
GMT 16 Apr 94*

[Text] Madrid, April 15 (XINHUA)—UN Secretary-General Butrus Butrus-Ghali reaffirmed here today that the United Nations "will not hesitate" to use force again in time to protect the UN peacekeeping forces and maintain peace in Bosnia.

Addressing a joint press conference after talks with Spanish Prime Minister Felipe Gonzalez, the UN chief expressed his cautious optimism on a negotiated settlement of the conflict in Bosnia.

On Russia's complaint that it had not been consulted on the NATO air strikes on Serb positions in Bosnia on Sunday and Monday, Butrus-Ghali argued that the Russian authorities had been informed from New York before the attacks.

He said he shared the view Russian President Boris Yeltsin sounded during his visit to Spain earlier this week that force could not put an end to the war in the area.

Dialogue should be encouraged, but "if the UN peacekeeping forces face risks and relevant UN resolutions allow us to use force, we should not hesitate to resort to force," Butrus-Ghali said.

Bosnian Serb Leader, UN Envoy Hold Talks

*OW1604042794 Beijing XINHUA in English 0337
GMT 16 Apr 94*

[Text] Belgrade, April 15 (XINHUA)—Bosnian Serb leader Radovan Karadzic and UN special envoy in former Yugoslavia Yasushi Akashi today held talks on hastening the peace process in Bosnia, the first since NATO air strikes against Serb positions.

Akashi, the UN secretary-general's special envoy and director of civil affairs of the peacekeeping forces in former Yugoslavia, told reporters that they discussed how to push the peace process in Bosnia and that the talks were "fruitful".

Although "regrettable", the UN peacekeeping forces' demand for NATO air strikes against Serb positions was "necessary," as the safety of UN military observers and residents in the Muslim enclave of Gorazde was being threatened, he said.

He restated that the UN peacekeeping forces would strictly remain neutral and not be partial to any side.

After NATO air strikes against the Bosnian Serb positions near the UN-designated "safe area" of Gorazde on April 10 and 11, the Serbs suspended all contacts with the UN peacekeeping forces, especially the commander of the UN forces in Bosnia Michael Rose, who ordered the air strikes.

As a result, the relations between the Serbs and the UN forces have reached an impasse.

The Serbs accused the United Nations of siding with the Muslims and being directly involved in the Bosnian civil war.

During his talks with Akashi, Karadzic said that the UN peacekeeping forces had not made Gorazde a demilitarized zone in accordance with an agreement in 1993.

He said that the Muslims owned powerful military forces in Gorazde and constantly launched attacks on the Serb positions.

He also said that it was necessary for the Serbs to keep political contacts with the UN civil leaders as they could not cooperate with the military leaders of the UN peacekeeping forces for a certain period of time.

Karadzic described today's meeting, approved by the supreme headquarters of the Serb forces, as "a good thing."

The supreme headquarters of the Serb forces met this afternoon on the military and political situation in Bosnia after the NATO air strikes.

The Serb military leaders said that conditions for normalizing their ties with the UN forces' military leaders were not ripe at present, but agreed that the Serb leader could keep contacts with the UN forces' civil leaders when necessary.

Russian special envoy Vitaliy Churkin and co-chairmen of the international conference on former Yugoslavia David Owen and Thorvald Stoltenberg have been working to bring the Serbs back to the negotiating table.

As a result of the efforts by the three mediators, Bosnian Serbs had made some compromise to ease the rising tension in the area.

Stoltenberg termed the talks between Karadzic and Akashi, which were held when relations between Serbs and the UN peacekeeping forces worsened, as "very important."

Churkin said that make some progress was made at the talks in solving the Bosnia conflict.

UN Security Council Seeks Cease-fire

OW1604052994 Beijing XINHUA in English 0520
GMT 16 Apr 94

[Text] United Nations, April 15 (XINHUA)—The UN Security Council today demanded that Bosnian Muslims and Serbs refrain from any action which might worsen the situation in and around the UN-designated safe area of Gorazde in eastern Bosnia.

The council was concerned over the situation in the Muslim enclave and regretted that a UN military observer died of injuries suffered in the Serb onslaught there, according to council president Colin Keating of New Zealand.

The council "condemned this blatant violation of council's resolutions," he said.

He added that the council supported the efforts made by the UN protection force in Bosnia to improve the situation there, and welcomed diplomatic initiatives to the same end, including those of Russia.

Russian Foreign Minister Andrey Kozyrev will visit the region early next week.

U.S. Calls For Russian Pressure

OW1704004894 Beijing XINHUA in English 0042
GMT 17 Apr 94

[Text] Washington, April 16 (XINHUA)—U.S. Secretary of State Warren Christopher urged Russia today to influence the Bosnian Serbs to stop its offensive on Gorazde so as not to trigger new NATO air strikes, reports said.

Quoting an unnamed State Department official, the Associated Press said Christopher called Russian Foreign Minister Andrey Kozyrev and asked him "to use his influence with the Serbs."

The official said Christopher made the telephone call before Kozyrev left to Belgrade, capital of the Serb Republic.

"He told the foreign minister that, given the situation on the ground in Bosnia, it was quite likely that NATO would have to respond to a U.N. request for 'close air support,'" the official said.

"And he urged Foreign Minister Kozyrev to use his influence with the Serbs to keep this from being necessary."

Meanwhile, U.S. President Bill Clinton was briefed by Christopher, Defense Secretary William Perry and National Security Adviser Anthony Lake on the Bosnian situation.

A British warplane was shot down today over Gorazde, a Bosnian town mainly populated by the Muslims and was on the verge of being taken by the Serbs.

The plane was trying to retaliate against a tank that reportedly fired directly into Gorazde, a U.N.-designated "safe area" for the Bosnian Muslims, NATO said. The pilot ejected as the plane exploded.

UN Condemns Serbian Offensive

OW1804030794 Beijing XINHUA in English 0228
GMT 18 Apr 94

[Text] United Nations, April 17 (XINHUA)—The U.N. Security Council today condemned escalating military activities by the Bosnian Serb forces in Gorazde, warning them of possible consequences.

"Council members are particularly disturbed that aggressive military actions were taken by the Serb forces against Gorazde simultaneously with cease-fire negotiations," said Council President Colin Keating of New Zealand.

Keating made the remarks to reporters after the council failed to approve a Pakistan-drafted resolution, which calls for lifting arms embargo against Bosnia.

"Council members support the actions UNPROFOR [UN Protection Force] has taken to date to deal with these threats and remind those concerned of the consequences under its resolutions if aggressive actions continue," said Keating.

Gorazde, a U.N.-designated a "safe area," has been under Serb offensive for 19 days, in which more than 200 people have reportedly been killed and almost 1,000 wounded.

Under a Security Council resolution on establishing safe areas in Bosnia, the U.N. Protection Force (UNPROFOR) has the right to protect these areas with force.

In addition, Keating also condemned the harassment and detention of U.N. peacekeeping troops throughout Bosnia.

Up to now, almost 200 U.N. hostages have been taken by the Serb forces in retaliation for two NATO air raids last week on the Serb positions.

In his remarks, Keating emphasized diplomatic efforts to defuse the tension.

"Council members encourage intensified diplomatic efforts to achieve a cease-fire and to reestablish negotiations for a comprehensive peace settlement," he said.

"The talks being held by the foreign minister of the Russian Federation at this time are welcomed along with the efforts of the United States special envoy and the European Union," he added.

Kozyrev Leaves for Belgrade To Discuss Bosnia Solution

OW1604192194 Beijing XINHUA in English 1849 GMT 16 Apr 94

[Text] Moscow, April 16 (XINHUA)—Russian Foreign Minister Andrey Kozyrev left here Saturday [16 April] for Belgrade to discuss Bosnian settlement, according to Russian Foreign Ministry sources.

In Belgrade, the capital of the Federal Republic of Yugoslavia, Kozyrev "will take part in talks on Bosnian settlement," the sources said.

The talks will also be attended by Russian President Boris Yeltsin's special envoy in the region Vitaly Churkin, who also is deputy foreign minister.

According to the ITAR-TASS NEWS AGENCY, both Kozyrev and Churkin persuaded the North Atlantic Treaty Organization (NATO) to cancel plans for new air strikes on Bosnian Serbs who, as NATO said, had shelled the town of Gorazde in Bosnia-Herzegovina, one of the six former Yugoslav republics.

U.S. Secretary of State Warren Christopher telephoned Kozyrev on Saturday morning to tell him that NATO aircraft were ready to launch new air strikes on Bosnian Serbs, the ITAR-TASS said.

Kozyrev immediately informed Churkin, who was in the Serb-controlled city of Pale near Sarajero, about his telephone talk with Christopher. The Russian envoy soon contacted Bosnian Serb leaders and reported back that there was no artillery shelling of Gorazde.

In addition, Bosnian Serb army commander General Radko Mladic assured Churkin that his troops will not storm Gorazde or shell it.

Moscow quickly relayed this information to Washington and preparations for new air strikes were cancelled, the ITAR-TASS said.

However, the news agency reported, Bosnian Serb leader Radovan Karadzic said in Banja Luka on Saturday that Serb troops have not entered Gorazde but have seized all strategic heights around it.

Grachev Changes Stance on NATO Partnership

OW1604055994 Beijing XINHUA in English 0518 GMT 16 Apr 94

[Text] Moscow, April 15 (XINHUA)—Russian Defense Minister Pavel Grachev said today that he has changed his assenting stance toward Russia's participation in NATO's "partnership for peace" plan after the Western military bloc launched air raids on Bosnian Serbs without consulting Moscow.

Grachev told the INTERFAX News Agency that he has been an enthusiastic supporter for Russia's participation in NATO's partnership program and has explained its necessity to officers of all ranks.

However, he added, NATO's air strikes indicated that the idea of the "partnership for peace" plan is only in words.

Grachev's remarks came a day after Russian Foreign Minister Andrey Kozyrev said Moscow has dropped plans to immediately join the program.

On April 10 and 11, NATO staged two air strikes against Bosnian Serb positions southwest of the Muslim enclave of Gorazde.

After the NATO strikes, Russia's Foreign Ministry, Defense ministry and parliament issued statements accusing NATO and the U.S. of violating the UN Charter by unilaterally ordering the operation without consulting other permanent members of the UN Security Council, especially Russia.

The statements said that NATO regards Russia as its equal partner in words, but treats the country as an unimportant "little partner" in deeds.

As NATO's actions are not in keeping with its promises, Grachev said, the definition of the "partnership for peace" plan, the principles for Russia's participation and the country's role within it should be reviewed.

NATO's partnership plan offers limited military cooperation to former Soviet-led Warsaw Pact members by allowing them to take part in peacekeeping missions, military exercises and other NATO activities without becoming its members.

Kozyrev Says Russia Wants Partnership With NATO

OW1704180394 Beijing XINHUA in English 1753
GMT 17 Apr 94

[Text] Moscow, April 17 (XINHUA)—Russian Foreign Minister Andrey Kozyrev said on Sunday [17 April] that Moscow is seeking for the best ways of keeping partnership-cooperation ties with the North Atlantic Treaty Organization (NATO).

After returning from a 24-hour trip to Belgrade, Kozyrev told reporters that "partnership with the North Atlantic alliance was our (Russia's) choice from the very outset."

"Two years ago, Russian President Boris Yeltsin sent a letter to NATO, offering partnership and close cooperation, and at present we are seeking for the best ways of promoting these ties," the Russian foreign minister stated, commenting on Russia's approach towards NATO's Partnership for Peace Program.

He said Moscow is ready to discuss whether a framework agreement should be signed first, which is to be followed by a broader one, or whether Moscow should conclude a broader partnership pact, without signing a preliminary agreement.

"We want a more serious and substantive agreement adequate to relations that should exist between NATO and the superpower of Russia..... [ellipses as received] Especially an agreement which will exclude unilateral actions, particularly military ones, in areas where we have to closely cooperate," Kozyrev pointed out.

Moscow has agreed in principle to join the NATO plan, which offers east European and former Soviet republics cooperation but stops short of letting them join the alliance.

According to the ITAR-TASS NEWS AGENCY, Kozyrev has postponed his visit to Brussels scheduled for April 21 to sign the Partnership for Peace deal, apparently angered by NATO's air strikes on Serb positions in Bosnia-Herzegovina last week.

Article Discusses Russian, NATO Relations

HK1804103394 Beijing RENMIN RIBAO in Chinese
14 Apr 94 p 6

[By Gu Ping (0657 1627): "Russia and the 'Partnership for Peace'"]

[Text] Recently, Russia has spoken in different voices on whether or not it will join NATO's "partnership for peace" program. By announcing on 6 April that Russia would join the program in the near future, President Yeltsin temporarily put an end to the argument in Russia. It is reported that Russia is likely to sign the program's framework agreement on 21 April.

The "partnership for peace" program was approved at a NATO summit meeting early this year. Its main contents

are: NATO will not be expanded for the time being, but will establish a partnership with countries in Eastern Europe and the Commonwealth of Independent States [CIS] so that they can "make a gradual transition toward NATO member status."

Russia welcomes the NATO "partnership for peace" program, holding that it will prevent another split in Europe, but that it is not fully in keeping with Russia's interests. The Russian Government is sharply divergent on whether it should join the program. The Foreign Ministry and Defense Ministry hold: Russia cannot prevent NATO from developing relations with East European countries. If Russia disregards this reality, it will be excluded from the new European security system. Participation in the program will be conducive to coordinating its relations with the United States and other Western countries and it can transform this program internally to make it conform to Russia's interest. Russian parliamentary leaders and others, however, are opposed to hurriedly joining the NATO mechanism on the grounds that it is out of keeping with Russia's status as a big power and that it will probably result in Russia losing its room for diplomatic maneuvering and its right to carry out arms trade and hamper strategic cooperation within the CIS. The parliament's International Affairs Commission approved a resolution saying that only when NATO accords Russia "special status" will it join the program.

Under such circumstances, while announcing that Russia would join the program, President Yeltsin emphatically pointed out: Russia's partnership with NATO should "be in keeping with Russia's status and role in world and European affairs and with Russia's military strength and nuclear status" and "be different from other countries' relations with NATO in terms of scope and contents." Judging by the Russian leader's statement, the "special status" Russia is seeking in the NATO program generally includes the following aspects: allowing Russia to attend NATO membership meetings and join in making important policy decisions; recognizing Russia's "special responsibilities" toward the former Soviet region; and taking into consideration Russia's interest on such issues as military transformation and defense structures. Moreover, Russia also wants to link its participation in "partnership for peace" with its participation in the G-7 economic group so as to get more economic aid.

Russia's demand for a "special relationship" poses a difficult problem for NATO. Acceding to its demand is tantamount to a recognition that the CIS belongs to Russia's sphere of influence, thus upsetting the course of Eastern European states joining the program. Poland, the Czech Republic, and Ukraine have warned NATO that "accommodating Russia" is likely to scuttle the entire "partnership for peace" program.

In fact, NATO and Russia have their own axes to grind. The United States and its allies are attempting to fill the "security vacuum" in Eastern Europe and establish a

new system of European security, with NATO as the nucleus. Russia, however, is worried that NATO will place Eastern Europe in its sphere of influence and thus threaten Russia's security interests. Therefore, it wants to maintain Eastern Europe as a buffer zone, with Russia and the West guaranteeing its security. It wants to develop a partnership for Europe as a whole through the Conference on Security and Cooperation in Europe and the North Atlantic Cooperation Council. This actually reflects the strategic differences between the two parties. Consequently, even if Russia signs the "partnership for peace" program, it will still bargain hard with the West about the essence of this program.

Li Lanqing Meets Japanese, Italian Visitors

OW1504120194 Beijing XINHUA in English 1143
GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Eiichi Nakao, member of the House of Representatives and former minister of international trade and industry of Japan, and his party here this afternoon.

During the meeting, Li said that Sino-Japanese trade relations have been developing rapidly in recent years, and that Japan now has become China's biggest trade partner.

The Chinese vice-premier expressed his appreciation for Nakao's contributions to the promotion of Sino-Japanese economic ties when he was in charge of Japan's international trade.

Nakao briefed Li on the current political and economic situation in Japan, saying that Japan and China should establish a stable trade relationship. China, he said, is one of the most promising nations with the greatest potentialities in the world.

Later, Li met with Shigekazu Mino, president of the Osaka Industrial Association, and his party, who arrived here yesterday as guests of the Chinese Ministry of Foreign Trade and Economic Cooperation.

This afternoon, the Chinese vice-premier also met with Pier Luigi Bersani, president of the Region Emilia Romagna of Italy, and his party. They had a friendly conversation.

China Signs GATT Uruguay Accords, WTO Agreement

OW1504172094 Beijing XINHUA in English 1703
GMT 15 Apr 94

[Text] Marrakesh, April 15 (XINHUA)—Chinese Vice-Minister of Foreign Trade and Economic Cooperation Gu Yongjiang signed on the Uruguay Round trade accords and an agreement on World Trade Organization (WTO) here Friday [15 April] afternoon.

After the signing ceremony, Gu, who is heading a delegation to GATT's ministerial meeting here, told reporters that these two documents will pave the way for China's re-entry of the General Agreement on Tariffs and trade (GATT) and for its WTO membership.

Almost all the countries and regions in the world support China's early re-entry of GATT and become a founding member of the WTO, Gu said.

Spokesman on GATT, UK Parliament Report, Qiondao Incident

OW1504220694 Beijing China Radio International in English to Western North America 0400 GMT 15 Apr 94

[From the "Current Affairs" program]

[Text] China says that the U.S. Government should take concrete action to fulfill its promise to support China's rejoining GATT. Foreign Ministry Spokesman Shen Guofang made this remark on Thursday [14 April] in Beijing during the ministry's weekly press conference. Li Peichun was there:

[Begin recording] [Li Peichun] Spokesman Shen Guofang's remarks came just after the Chinese and American trade negotiators reportedly encountered difficulty in their talks on China's re-entry into GATT in Morocco. Although the specific difficulty has yet to emerge, the Chinese representative has reiterated that trade should not be mixed up with social issues. Meanwhile, U.S. trade negotiator Mickey Kantor said that China has to make more efforts before it is accepted by the multilateral trade agreement.

[Shen Guofang in Chinese] The U.S. Government has promised on several occasions its firm support for China's re-entry into GATT, we hope that... [fades into Li Peichun's comments]

[Li Peichun] The Chinese Foreign Ministry spokesman said Beijing has noticed the importance of the U.S. in GATT, but he has stressed that the U.S. is merely one of the 105 contracting countries and should not be equated to the international body itself.

Shen Guofang said the U.S. Government has repeated its promise to support China's re-entry, and it should make real efforts to materialize its commitments. China's re-entry is one of the main issues of the GATT ministerial meeting in Morocco.

On another subject, spokesman Shen Guofang criticized a report published on Wednesday by the House of Commons on London's ties with Beijing. Shen Guofang said the part concerning the Hong Kong issue disregards facts and defends Governor Chris Patten's erroneous approach to his political reform. Commenting on London's desire to hold talks with China on human rights, which is expressed in the same report, Shen Guofang said that Beijing is willing to talk with any country, but on the basis of equality and mutual respect.

Finally, the Foreign Ministry spokesman said China hopes that relations along the Taiwan Straits will not be adversely affected by the Qiandao Lake case, in which 24 Taiwan tourists died in Zhejiang last month. Reacting to Taiwan's suspension of various exchanges with the mainland, Shen Guofang said closer links along the Taiwan Straits are in the interest of all Chinese. He added Beijing will listen to proposals from Taiwan in handling the case.

For China Radio International, I am Li Peichuan. [end recording]

GATT Meeting Concludes With 'Marrakesh Declaration'

OW1604022694 Beijing XINHUA in English 0159 GMT 16 Apr 94

[Text] Marrakesh, Morocco, April 15 (XINHUA)—A ministerial meeting of GATT ended here today with the adoption of the world's biggest trade deal designed to frame a better global economic order.

The deal, or the "Marrakesh declaration," which formally endorses the Uruguay-round trade accords reached last December, was signed by ministers from more than 120 industrial and developing countries.

The deal provides for a 40-percent cut in the world's tariffs, a move which will add some 200 billion U.S. dollars to the global income every year in the next decade.

The declaration officially approved the creation of a World Trade Organization (WTO) to replace GATT (General Agreement on Tariffs and Trade) in theory from January 1, 1995, marking "a new era of global economic cooperation" and in response to the widespread wish for "a fairer and more open multilateral trade system."

It said that the developing countries have played "a remarkably active role" in the Uruguay round, "a historic step towards a more balanced and integrated global trade partnership."

China signed the Uruguay-round accords and an agreement on the WTO, which will pave the way for its re-entry into GATT and for its WTO membership.

The less developed countries should enjoy "more favorable treatment," the declaration stressed, pledging continued support to them in trade and investment.

It said that the WTO, the new world trade watchdog, will increase aid "substantially" to developing countries.

In the declaration, the ministers hailed the conclusion of the Uruguay-round trade talks as a historic achievement, which will boost "trade, investment, employment and incomes all over the world."

They also put emphasis on environmental issues and sustainable development.

The ministerial meeting in the Moroccan oasis city started Tuesday and was attended by 124 nations.

Developing Countries View New Trade Framework

OW1604141594 Beijing XINHUA in English 1255 GMT 16 Apr 94

["Roundup: Developing Countries Have Mixed Feelings About New World Trade Framework"—XINHUA headline]

[Text] Marrakech, Morocco, April 15 (XINHUA)—The ministerial meeting of GATT ended here today with the adoption of the world's biggest trade deal, labeled "the Marrakech Declaration".

To judge by speeches and talks both in and out of the meeting, many developing countries expected and supported such an agreement, and the creation of a World Trade Organization (WTO) designed to structure a better global economic order.

On the other hand, they also have reservations and even worries about the conclusion of the Uruguay-Round trade talks.

An opening international economic environment and a complete set of international trade regulations are necessary for a developing country to improve its economy. As one representative from a developing country said, "the future of the global economy and the prosperity of developing countries will depend on the opening-up of the international trade system."

This GATT agreement achieved a wide range of market-entry promises, stressing the principle of freedom in international trade and improving multilateral trade regulations. This achievement has been welcomed and basically supported by developing countries.

They believe that by this agreement, which has strengthened multilateral trade regulations and will establish a mechanism to solve possible trade disputes, developing countries will be less discriminated against.

Representatives from developing countries also pointed out that the implementation of the Uruguay-Round agreement and the establishment of a world trade organization to replace GATT will inaugurate a new phase in world trade, bringing greater cooperation, more investment, more employment and faster economic growth.

At the same time, some representatives from developing countries hold the opinion that the final outcome of the talks doesn't attach enough importance to profits of developing countries, and that the clauses related to market-entry are still insufficient.

They said that this final agreement does not match concessions made by developing countries during the talks, and could even be harmful to a few debtor countries.

They also expressed their worry about clauses on society in general, especially those concerning the rights of workers. "The rights of workers should be certainly protected, but it shouldn't be used as an excuse to interfere in the internal affairs of other countries," said one representative.

They also worry that clauses on society may be contained in the guiding principles of a world trade organization.

Although there were many reservations and concerns about the final outcome of the Uruguay-Round talks and the establishment of a world trade organization, most developing countries still place great hope in such an organization, which is expected to emerge in the near future.

Many people from developing countries expected that a world trade organization will bring them equal and ample opportunities to participate, and will give substantial assistance to the least developed countries on special and favorable principles.

They hope the organization will promote the establishment of a fairer new international economic order and take efficient measures to guarantee the competitive capacity of developing countries and further improve their ability to enter international markets.

Only because a large number of developing countries supported the Uruguay-Round agreement and the establishment of a world trade organization was it possible for ministers from more than 120 countries to sign the world's largest trade deal.

United States & Canada

Vice Premier Zou Jiahua Leaves for Canada, U.S.

OW1804072594 Beijing XINHUA in English 0708
GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Vice-Premier Zou Jiahua left here today to pay an official friendly visit to Canada and the United States as guest of the governments of the two countries.

Zou's entourage includes Vice-Minister Zeng Peiyan of the State Planning Commission, Vice-Minister of Foreign Affairs Liu Huaqiu and Vice-Minister Zheng Silin of Foreign Trade and Economic Cooperation.

Seeing Zou off at the airport were Deputy Secretary-General of the State Council He Chunlin, and officials from the Foreign Ministry, State Planning Commission, Ministry of Power Industry, Ministry of Electronics Industry, and the Ministry of Foreign Trade and Economic Cooperation.

Canadian Ambassador to China Fred Bild and U.S. Ambassador to China J. Stapleton Roy were present on the occasion.

Sino-U.S. Commerce, Trade Talks End

OW1504112594 Beijing XINHUA in English 1012
GMT 15 Apr 94

[Text] Washington, April 14 (XINHUA)—A senior Chinese Government official said here today that discussions at the just concluded 8th meeting of the China-U.S. Joint Commission on Commerce and Trade were "candid, business-like and constructive."

Wu Yi, Chinese minister of foreign trade and economic cooperation, was presiding over the two-day meeting together with U.S. Secretary of Commerce Ronald Brown.

At the concluding ceremony, both Wu and Brown spoke highly of the results of the meeting, which concentrated on a review of the economic and trade cooperation between the two countries over the past few years and an exchange of views on broadening this cooperation.

Wu said, "China and the United States have much in common in their economic interests and can count on a bright prospect in bilateral economic and trade cooperation."

"We have every reason to get rid of the negative effect brought by the most favored nation status issue."

This afternoon Wu and Brown signed a joint statement indicating that the two sides had agreed to set up working groups, on trade and investment, trade promotion, and law of commerce respectively.

During the meeting, Wu Yi met with U.S. Vice President Albert Gore and Secretary of Treasury Lloyd Bentsen.

Song Jian Hopes for 'Closer Ties' With U.S.

OW1604050494 Beijing XINHUA in English 0454
GMT 16 Apr 94

[Text] New York, April 15 (XINHUA)—Visiting Chinese State Councillor Song Jian today praised Sino-U.S. cooperation in science and technology and hoped for closer ties in the political and economic fields.

Song, also minister in charge of the State Science and Technology Commission, said that there had been problems in developing the cooperation in science and technology, but they had all been solved with concerted efforts by scientists of the two countries.

He expressed confidence that Chinese and U.S. political and business leaders could do the same in case of difficulties.

Song made these remarks here tonight during a reception given by Zhang Weichao, China's consul-general in New York, in honor of Song for his visit to New York city.

Earlier this week, Song attended the Sixth Session of the Sino-U.S. Joint Working Committee on Cooperation of Science and Technology held in Washington.

U.S. Vice President Al Gore and Secretary of State Warren Christopher met with Song and his delegation on April 12.

In his speech tonight, Song also expressed his hope that the momentum seen in cooperation of science and technology between the two countries would be maintained and that the fields of cooperation further expanded.

"China imports more than 100 billion U.S. dollars worth of commodities each year from foreign countries," he said, "and we hope our American friends from the scientific, technological and business circles will seize this opportunity to engage more actively in economic, trade, scientific and technological cooperation with China."

Also attending the reception were more than 100 leaders from science and business circles in New York.

Song Jian Hopes Sino-U.S. Scientific Cooperation To Expand

OW1704213894 Beijing China Radio International in English to Western North America 0400 GMT 17 Apr 94

[From the "News About China" program]

[Text] Visiting Chinese State Councilor Song Jian has said in New York that he hopes Sino-U.S. cooperation in science and technology will be further expanded and that the present cooperation between the two countries is a model for political and business relations of the future. He made the remark at a reception held by China's consul general in New York. The reception was also attended by more than 100 leaders from science and business circles in New York.

N Bosnian Policy

OW1504210494 Beijing XINHUA in English 2047 GMT 15 Apr 94

[Text] Washington, April 15 (XINHUA)—U.S. President Bill Clinton reaffirmed today that the United States "maintain absolutely firm support" of the United Nations' policy on Bosnia-Herzegovina.

Clinton told reporters at the White House that since the U.N. has taken a more vigorous approach, asked NATO to provide close air support and created the safe zone around Sarajevo, "substantial progress has been made."

"We've had relative peace in the Sarajevo area," he added, "we've had the agreement between the Croats and the Muslims which is holding."

Clinton conceded that there were "some friction as a result of the last round of very modest airstrikes as a result of the shelling of Gorazde."

Under U.N. and NATO direction, U.S. warplanes carried out air strikes against Serbian positions near the besieged Muslim enclave of Gorazde on Monday [11 April] and Tuesday.

Clinton claimed that "we can't have our U.N. personnel there vulnerable to shelling and to attack with no one there to defend them."

But, the President said, "the United States has no interest in having NATO become involved in this war and trying to gain advantage for one side over the other."

"Our position is to be firm but not provocation and not trying to change the military balance," he stressed.

Clinton called upon all the parties to get back to the negotiations, saying that is "the most important thing."

President Clinton Opposes Lifting UN Sanctions Against Serbs

OW1804015994 Beijing XINHUA in English 0151 GMT 18 Apr 94

[Text] Washington, April 17 (XINHUA)—President Bill Clinton said today that the United States opposes lifting the U.N.-authorized sanctions against the Serbs for the time being, as suggested by some European countries.

While stressing a diplomatic solution to the Bosnian crisis, Clinton reiterated that Washington remains committed to its role in NATO under the United Nations.

Clinton, having communications on Bosnia with British Prime Minister John Major and Russian President Boris Yeltsin earlier today, did not rule out further NATO air strikes on Serbs around Gorazde.

"It depends on the U.N. commander on the ground," he said.

The U.S. "is still a very important part of the NATO alliance and we are committed to doing whatever we're asked to do," Clinton said.

The situation around Gorazde, one of the six Bosnian Muslim "safe areas" designated by the U.N., remains confusing.

There were reports that Serb tanks were retreating and fighting subsided in the Muslim enclave encircled by the Serbs.

Meanwhile, Charles Redman, the U.S. ambassador to Bosnia, told NBC's "Meet the Press" program that Gorazde was under the military and tactical control of the Serbs.

U.S. airplanes under NATO launched two air strikes against Bosnian Serb positions during the past two weeks.

In retaliation, the Serbs held more than 100 U.N. soldiers as hostages.

One British jet fighter was shot down Saturday over Gorazde.

However, Clinton said, negotiations between the U.N. and the Bosnian Serbs had "some progress," such as the Serb agreement to release 16 Canadian soldiers.

President Clinton on Investigation of Helicopter Incident

*OW1504221694 Beijing XINHUA in English 2151
GMT 15 Apr 94*

[Text] Washington, April 15 (XINHUA)—U.S. President Bill Clinton today promises to move as quickly as possible to do a thorough and complete investigation on the helicopter incident that occurred in Iraq.

Clinton told reporters at the White House that he met for an hour and a half this morning with his national security advisors about a variety of issues including the incident.

The President described as "the terrible tragedy" the incident in which two U.S. helicopters were shot down by two U.S. warplanes in Northern Iraq yesterday.

"We are going to stay on top of this, work through it, and make a full report to the American people," Clinton said.

Clinton also said he telephoned British Prime Minister John Major and French President Francois Mitterrand to extend his condolences for the losses of their citizens in the incident.

There were 26 persons killed in this incident. They were 15 U.S. personnel, three Turkish officers, one French officer, two British officers and five Kurdish people.

Asked whether the U.S. should continue the peace-keeping mission in Northern Iraq, Clinton said that "I very definitely think so."

He considered the mission as "very successful" and "very important," adding that "I believe it should continue."

Defense Secretary William Perry told a news briefing today that an investigative board will work hard to get to the bottom of what happened.

"We want to take the measures necessary to ensure that a tragedy such as this does not occur again," Perry said.

XINHUA Cites Former President Bush on MFN Issue

*OW1504165394 Beijing XINHUA in English 1628
GMT 15 Apr 94*

[Text] Singapore, April 15 (XINHUA)—Former U.S. President George Bush expressed here today his objection to the Clinton administration's policy of linking human rights issues to the most-favored-nation trade status.

China should not be bullied and isolated, he said, adding that no one could insult China without harming the interests of the United States and the whole world.

Bush, U.S. president from 1989 to 1993, made the comments when addressing Citibank customers, prominent government officials, diplomats, and leading businessmen and bankers.

He arrived in Singapore on Thursday on a two-day visit to the country as part of Citibank's Asian Leadership Series, which was launched in 1992 in celebration of Citibank's 90th anniversary in Asia.

Bush also clashed with President Bill Clinton in opinion over the case of Michael Pater Fay, an American teenager, who has been found guilty for vandalism here last month and sentenced to imprisonment and six strokes of caning.

Clinton had expressed his objection to the caning sentence, describing it as too "severe." He had reportedly sent a personal letter to Singapore President Ong Teng Cheong, pleading for clemency.

Bush said that when one was in someone else's country, he must follow the law of that country.

A country could not establish a set of laws for its citizens, but another set of laws for Americans, and another one more for people from other countries, he said.

Former President Bush Favors 'Good Relations' With Beijing

*OW1604111894 Beijing XINHUA in English 1025
GMT 16 Apr 9*

[Text] Seoul, April 16 (XINHUA)—Visiting former U.S. President George Bush today called on the Clinton administration to maintain good relations with China.

Bush said Washington should not suspend the most-favored-nation status to China.

Bush made the statement when meeting with South Korean President Kim Yong-sam in the presidential house.

Turning to the Korean peninsula, Bush said the situation was not as tense as he thought when he was in his own country.

Kim, on his part, accused certain "irresponsible" people of exaggerating the situation on the Korean peninsula.

Bush arrived here earlier today to attend the 43rd Annual Conference of the Pacific-Asia Travel Association (PATA), scheduled for April 18-20.

Chen Junsheng Meets U.S. Businessman

OW1504190594 Beijing XINHUA in English 1428
GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—Monsanto, one of the 60 largest U.S. companies, opened its second office in China here today.

Robert B. Shapiro, president of the Monsanto Company, said that his company, with a history of 93 years, is going to make the Chinese mainland its regional headquarters for its business not only on the mainland, but in Hong Kong and Taiwan as well, and even in the whole area of South-East Asia.

At the opening ceremony of the Beijing office, Shapiro said that his company has decided to establish 20 joint ventures in China in future.

With over 180 branches in more than 150 countries and regions, the company so far has set up only one enterprise in Shanghai, where its first representative office in China is located.

Shapiro said his company will make greater efforts to expand its cooperation with China in the fields of chemical industry, agriculture and public health.

Wang Guangying, vice-chairman of the National People's Congress Standing Committee, attended the ceremony.

Before the ceremony, Chinese State Councillor Chen Junsheng met with Shapiro in the Great Hall of the People.

Central Eurasia

Li Peng Leaves for CIS, Says Lake Incident 'Crime'

HK1804033194 Hong Kong AFP in English 0314 GMT
17 Apr 94

[Excerpt] Beijing, April 17 (AFP)—Chinese Premier Li Peng said Monday the murder of 32 people, including 24 Taiwan tourists, on a pleasure boat in eastern China last month was a "heinous" crime that would be severely punished. "This is a heinous criminal offence and we will seriously punish those criminals in accordance with criminal procedures," Li told reporters.

The Chinese authorities admitted for the first time Sunday that the March 31 fire on the boat on Qiandao Lake in the eastern province of Zhejiang was a case of "murder, robbery and arson." Three suspects have been arrested in the case, which provoked an outcry in Taiwan amid repeated accusations of foul play and seriously damaged relations between the mainland and the Nationalist island. The outcome of the fire has caused considerable embarrassment to Beijing after Chinese officials and the media had previously insisted it was purely accidental.

"What really happened with regards the Qiandao Lake incident has already been found out and the criminals in that case have already been detained," Li said prior to his departure for a tour of Commonwealth of Independent States (CIS) countries and Mongolia. "I would like to take this opportunity to express my condolences over the death of the compatriots from both Taiwan and the mainland, and would also like to express my sympathy to the families of the victims," he said.

Relatives of the victims had accused Beijing of trying to hide the true cause of the fire, and Taiwan launched a series of boycotts in protest, including the suspension of cultural and educational exchanges, sightseeing tours to China and the reappraisal of investment policies on the mainland. On Saturday, a source in Taipei had said the killings and robberies were carried out by a group of Chinese soldiers disguised as civilians. [passage omitted: history of PRC-Taiwan relations]

More on Departure

OW1804040594 Beijing XINHUA in English 0340
GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Chinese Premier Li Peng left here this morning on official visits to four Central Asian countries and Mongolia.

He was invited by Uzbekistan President Islam Karimov, Turkmenistan President Saparmurad Niyazov, Kyrgyzstan President Askar Akayev, Kazakhstan President Askar Akayev [a: received] and Mongolian Premier Puntsagiyn Jasray.

Zhu Rongji will be acting premier during his absence, Li announced at a press conference before his departure at the Great Hall of the People.

Calls Countries Friendly Neighbors

OW1804110594 Beijing XINHUA Domestic Service in
Chinese 0806 GMT 18 Apr 94

[Text] Beijing, 18 Apr (XINHUA)—Premier Li Peng left Beijing this morning for official visits to Kazakhstan, Uzbekistan, Kyrgyzstan, and Turkmenistan, as well as Mongolia. Before his departure, Li Peng met with Chinese and foreign reporters in the Great Hall of the People.

Li Peng said: The five countries are China's friendly neighbors. Since China established diplomatic relations with the Central Asian states, bilateral relations in all spheres have developed considerably. China and Mongolia have a long history of friendly relations and cooperation. The leaders of the five countries have visited China, and we have established a relationship of mutual trust among us. This is my return visit to the five countries I have just mentioned. Li Peng said he hoped his visit would enhance mutual understanding, promote good-neighborly relations, and expand mutually beneficial cooperation.

Premier Li Peng announced that during his tour overseas, Vice Premier Zhu Rongji will be acting premier and preside over the work of the State Council.

In response to a question on the "Qiandao" incident, Premier Li Peng said that the Qiandao case has been cracked and the murderers have been arrested. This is a heinous criminal offence and we will seriously handle this case in accordance with judicial procedures. "I would like to take this opportunity to express my profound condolences over the deaths of the compatriots from both sides of the Taiwan Strait and also express my deep sympathy with the families of the victims."

Li Peng also answered a number of other questions raised by Chinese and foreign reporters concerning the relations between China and the four Central Asian countries, as well as Mongolia.

Accompanying Li on the visit are his wife Zhu Lin; Ismail Amat, state councillor and minister in charge of the State Nationalities Affairs Commission; Qi Huaiyuan, director of the Foreign Affairs Office of the State Council; Ulgi, chairman of the People's Government of the Inner Mongolia Autonomous Region; Wang Lequan, vice chairman of the People's Government of the Xinjiang Uygur Autonomous Region; as well as comrades from the State Council's Research Office, the Ministry of Foreign Affairs, and the Ministry of Foreign Trade and Economic Cooperation.

Seeing Li and his party off at the Great Hall of the People were Vice Premiers Zhu Rongji, Zou Jiahua, Qian Qichen, and Li Lanqing; Buhe, vice chairman of the National People's Congress Standing Committee; Luo Gan, state councillor and secretary general of the State Council; as well as responsible comrades from the CPC Central Committee General Office, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Economic Cooperation, the China Council for the Promotion of International Trade, other relevant departments; and diplomatic envoys to China.

Says Tour No Threat to Russian Ties

HK1804051194 Hong Kong AFP in English 0452 GMT 18 Apr 94

[Text] Beijing, April 18 (AFP)—Chinese Premier Li Peng left here Monday for a tour of Central Asian states, firmly denying that the trip would pose any threat to Sino-Russian ties. The tour, taking in the former Soviet republics of Kazakhstan, Uzbekistan, Kyrgyzstan and Turkmenistan as well as Mongolia, will be Li's first foreign trip since heart problems in April last year removed him from the political scene for some six months.

"I don't think there is any negative impact for Sino-Russian relations," Li told reporters at the Great Hall of the People prior to his departure. "China is ready to maintain good relations with Central Asian republics

and Mongolia, and at the same time we also hope to see the maintenance of good relations between these countries and Russia," he said.

However, diplomats here say that China, in its bid to set itself up as the major power in Asia, is keen to counter Russian influence in the Commonwealth of Independent States (CIS). Beijing is also anxious to ensure that political instability in some CIS states does not spill over into neighbouring Xinjiang, China's predominantly Muslim province in the far northwest.

"The purpose of my visit is to enhance mutual understanding, promote cooperation and strengthen friendship," Li said, laying special emphasis on the mutual importance of strengthening economic links. "It is true that at present these countries are encountering economic difficulties, but I think that these difficulties are temporary and that they will be overcome," he said.

Diplomats point out that China's economic boom has given Beijing the chance to boost its influence in Central Asia at the expense of cash-strapped Moscow.

The highlight of Li's trip to Mongolia will be the signing of a new friendship and cooperation treaty to replace the one signed in 1960, when China was essentially a Russian puppet. "I hope that through my visit the two sides will further promote and extend trade and economic cooperation," Li said, adding that that more than 1,000 kilometer (600-mile) Sino-Mongolian frontier should become a "border of friendship."

During Li's absence, Vice-Premier in charge of the economy Zhu Rongji will take the role of acting premier.

Comments on Central Asian Tour

OW1804084694 Beijing XINHUA in English 0824 GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Chinese Premier Li Peng left here this morning on official visits to four Central Asian countries and Mongolia.

He was invited by Uzbekistan President Islam Karimov, Turkmenistan President Saparmurad Niyazov, Kyrgyzstan Askar Akayev, Kazakhstan President Nursultan Abishevich Nazarbayev and Mongolian Premier Puntsagiyn Jasray.

Before his departure, Li talked to Chinese and foreign reporters in the Great Hall of the People.

Li said the five countries are good neighbors of China. After the establishment of diplomatic ties between China and the four central Asian countries, he said, bilateral relations have grown steadily in every field. China and Mongolia have also enjoyed long-standing friendly relations and cooperative links, he said.

Leaders of the five countries have visited China, helping enhance ties of mutual trust with their Chinese counterparts, he said, adding that his visit is reciprocal.

The Chinese premier expressed the hope that his visit will "help deepen mutual understanding, promote good-neighborly ties and develop mutually beneficial cooperation".

Li announced that Vice-Premier Zhu Rongji will be acting premier and preside over the work of the State Council during his absence.

Answering a question on the Qiandao Lake incident, Li said the case of the incident is clear and criminals involved have been caught.

"This is a heinous criminal offence and the criminals will be severely punished in accordance with criminal procedures", Li said.

He expressed his profound condolences over the death of the compatriots from both the mainland and Taiwan and also expressed his deep sympathy with the families of victims.

Li also answered a number of other questions raised by reporters concerning the relations between China and the four central Asian countries as well as Mongolia.

Accompanying Li on the visit are his wife Zhu Lin, State Councillor and Minister in Charge of the State Nationalities Affairs Commission Ismail Amat, Director of the Foreign Affairs Office of the State Council Qi Huaiyuan, Chairman of the People's Government of the Inner Mongolia Autonomous Region Ulgi, vice-chairman of the People's Government of the Xinjiang Uygur Autonomous Region Wang Lequan.

Seeing Li and his party off at the Great Hall of the People were Vice-Premiers Zhu Rongji, Zou Jiahua, Qian Qichen and Li Lanqing, vice-chairman of the National People's Congress Standing Committee Buhe, and State Councillor and Secretary-General of the State Council Luo Gan.

Arrives in Tashkent for 3-Day Visit

OW1804092994 Beijing XINHUA in English 0915
GMT 18 Apr 94

[Text] Tashkent, April 18 (XINHUA)—Chinese Premier Li Peng arrived here this afternoon for a three-day official visit to the Republic of Uzbekistan at the invitation of President Islam Karimov.

Tashkent is the first leg of Premier Li's 12-day five Asian nation tour which will also take him to Turkmenistan, Kirghizstan, Kazakhstan and Mongolia.

Li is the highest ranking Chinese leader to visit the four former Soviet republics since they became independent. His tour to Mongolia is also the first of its kind in 34 years.

Li Peng Expects Uzbekistan Visit To Further Ties

OW1804113594 Beijing XINHUA in English 1107
GMT 18 Apr 94

[Text] Tashkent, April 18 (XINHUA)—Chinese Premier Li Peng said today that his visit to Uzbekistan will serve to "further the mutual understanding, friendship and mutually beneficial cooperation in all fields" between China and Uzbekistan.

Li expressed the belief in a written statement released here this afternoon upon his arrival for a three-day official visit to Uzbekistan, the first leg of his five-Asian-nation tour. The tour will also take him to Turkmenistan, Kyrgyzstan, Kazakhstan and Mongolia.

Li said he was delighted to start his tour of Central Asia from the ancient city of Tashkent.

The people of China and Uzbekistan have a traditional friendship, which dates back to the times of the "silk-road", Li said.

He recalled that Uzbek President Islam Karimov's visit to China in 1992 "opened a new chapter" in bilateral friendly relations, and gave a strong momentum to an in-depth and overall growth of such ties.

China attaches importance to its relations with Uzbekistan, respects the choice of its people, and sincerely hopes for a lasting, stable and friendly relationship with the country based on the five principles of peaceful coexistence, he said.

During the visit, Li will hold talks with Uzbek leaders on bilateral relations and regional and international issues of mutual concern.

Uzbekistan President Welcomes Li Peng

OW1804121294 Beijing XINHUA in English 1159
GMT 18 Apr 94

[Text] Tashkent, April 18 (XINHUA)—Chinese Premier Li Peng was welcomed into Tashkent this afternoon at a grand ceremony held by President Islam Karimov of Uzbekistan at the airport.

Li Peng, the first top Chinese leader to visit Uzbekistan, arrived at 14:00 local time. He was greeted at the airport by President Karimov, Acting Chairman Erkin Khalilov of the Supreme Soviet of Uzbekistan and Prime Minister A.M. Mutalov, along with personalities of different circles as well as foreign envoys based in Tashkent.

Li's entourage includes his wife Zhu Lin; Ismail Amat, minister in charge of the State Nationalities Affairs Commission; and Qi Huaiyuan, director of the Foreign Affairs Office of the State Council.

Accompanied by Karimov, Li reviewed a guard of honor, and a military band played the national anthems of China and Uzbekistan.

National flags of China and Uzbekistan are flying at the airport and along the main streets of Tashkent. Also, huge placards placed along the avenues carry Chinese characters: "Welcome to Premier Li Peng on his visit to Uzbekistan."

In an expression of friendship, pedestrians stopped to wave hands to the passing motorcade, which took the Chinese guests to their hotels.

Also traveling with the Chinese premier is a delegation of leading entrepreneurs, the first such group to accompany a top Chinese leader on a trip abroad.

President Karimov is expected to host a banquet this evening in honor of Li Peng and his entourage.

Beijing, Moscow Establish Border Trade Zone

OW1804080194 Beijing China Radio International in Russian 1900 GMT 11 Apr 94

[Text] Following efforts made in recent months, the outlines of a Chinese-Russian mutual trade zone between the residents of Manzhouli in China and Zabaykalsk in Russia are taking shape. It is the only zone of its type being created with the approval of the PRC State Council.

The zone is located on the outskirts of the neighboring cities of Manzhouli and Zabaykalsk. Its overall area amounts to 11.8 square km. Areas in the zone have been set aside for free trade, currency and banking facilities, tax free storage and production facilities, and residential and entertainment centers. After an identify check and payment of a fee, Chinese and Russian border residents and businessmen can enter the zone freely without a passport (or) a visa for wholesale, retail, barter, or other form of trade. Free circulation of Chinese yuan, Russian ruble, or the currency of other CIS states, as well as freely convertible currencies will be permitted in the zone.

China, Russia Sign Radio Agreement

OW1804114994 Beijing China Radio International in Russian 1900 GMT 11 Apr 94

[Text] A delegation of Moscow Radio International is visiting China from 5 to 12 April. A protocol on cooperation between Moscow Radio International and China Radio International was signed in Beijing on 11 April. The document consists of 10 articles. One of them envisages that each of the two sides will ensure, at its own expense, the transmission of its programs via a satellite channel to an earth receiving station in the capital city of the other country.

The signing ceremony was attended by Wang Feng, Chinese deputy minister of Radio, Film, and Television; (Chiang Renhua), director of China Radio International; (Xin Yimin), deputy director, and other responsible officials.

Our guests also visited China's largest city of Shanghai where the potential for multifaceted cooperation between Shanghai People's Radio and Moscow Radio International were discussed. The Russian delegation visited the construction site of the Pearl of the East television tower, the highest in Asia. The delegation will leave Beijing for Moscow on 12 April.

XINHUA Reports End of CIS Summit Meeting

OW1504165194 Beijing XINHUA in English 1613 GMT 15 Apr 94

[Text] Moscow, April 15 (XINHUA)—Leaders of the 12 member countries of the Commonwealth of Independent States (CIS) today ended their one-day summit here after signing a package of documents on political, economic and military cooperation.

Russian President Boris Yeltsin told reporters at a joint press conference at the end of the summit that the CIS leaders adopted a statement on the Georgian-Abkhazian conflict and Russia agreed to send its peace-keeping troops there to join the U.N. observers.

Georgian leader Eduard Shevardnadze believed that the statement covered several important points, including an urgent appeal to the U.N. Security Council to start a peace-keeping operation in Abkhazia, a breakaway autonomous republic of Georgia.

Asked why Ukraine chose to join the CIS' economic union as an associate member, its President Leonid Kravchuk replied: "the question is whether integration is to be accomplished on equal or unequal terms."

The Ukrainian leader pointed out that the unification of the Belarus and Russian monetary systems signifies deeper integration than the Euro-Asian Union proposed by Kazakh President Nursultan Nazarbayev.

Kazakh Vice-President Yerik Ansanbayev disclosed that "a comprehensive program for the formation of the Euro-Asian Union will be submitted by Kazakhstan at the next CIS summit."

Moldovan President Mircea Snegur believed that ordinary CIS citizens will receive plenty of economic benefits as a result of the Moscow summit.

Yeltsin also announced at the press conference that the next CIS summit meeting will be held on December 9.

Russia, Ukraine Agree To Divide Black Sea Fleet

OW1504194494 Beijing XINHUA in English 1906 GMT 15 Apr 94

[Text] Moscow, April 15 (XINHUA)—Russian President Boris Yeltsin and his Ukrainian counterpart Leonid Kravchuk agreed here today to divide the disputed Black Sea Fleet, according to the ITAR-TASS NEWS AGENCY.

Immediately after the one-day summit meeting of the Commonwealth of Independent States held in Moscow on Friday [15 April], the two presidents signed an agreement on splitting the fleet in a stage-by-stage way.

Under the accord, the Russian Black Sea Fleet and the Ukrainian Navy, which is to get up 15-20 percent of the fleet's ships, will be based separately.

It was specified that the details of the fleet division will be elaborated in 10 days, the news agency said.

Moscow and Kiev have been involved in the dispute over the fleet with over 380 warships since the disintegration of the Soviet Union in December 1991.

Northeast Asia

First U.S. Patriot Missiles Arrive in ROK

OW1804070094 Beijing XINHUA in English 0650
GMT 18 Apr 94

[Text] Seoul, April 18 (XINHUA)—Two United States Navy transport ships carrying Patriot missile batteries arrived in the southeastern port of Pusan in South Korea Monday [18 April].

The first shipment contains six Patriot missile batteries, with a total of 48 launchers, the South Korean news agency YONHAP said.

Normally, a Patriot battalion has three to six batteries, with eight launchers each. Each launcher carries four missiles.

These missile launchers are expected to be deployed at military bases in South Korea by April 29, YONHAP quoted military sources as saying.

The 13,000-ton "Comet" and 16,460-ton "Meteor" left the U.S. Navy base in Oakland on March 23. Earlier reports said a total of 192 Patriots would be sent to South Korea.

The patriot anti-missile missiles are a more advanced version than those used in 1991 Gulf war, according to the sources.

The missiles will considerably reinforce the air defense capability in South Korea, a ministry official said, adding that "it is the most effective defense system against possible air attack."

U.S. President Bill Clinton has ordered the patriots to South Korea to boost its defense capabilities during a growing confrontation with the Democratic People's Republic of Korea (DPRK) over Pyongyang's nuclear issue.

The DPRK strongly opposes the deployment of Patriot missiles in South Korea, saying the missiles are designed for offensive purposes.

Two weeks ago, some 1,000 students staged a demonstration here to protest against the deployment of the U.S. weapons.

Patriot missiles, which were requested by U.S. commander in South Korea Gary Luck, gained fame during the Gulf war for intercepting Iraqi Scud missiles.

XINHUA 'Roundup' on Moscow-Seoul Talks on DPRK Issue

OW1604034494 Beijing XINHUA in English 0259
GMT 16 Apr 94

["Roundup": "Korean Nuclear Issue Dominates Moscow-Seoul Talks"]

[Text] Moscow, April 16 (XINHUA)—The nuclear issue on the Korean peninsula have dominated the Moscow-Seoul talks in the past three days here, diplomats said when analyzing the outcome of the visit by South Korean Foreign Minister Han Sung-chu.

Han, who arrived here on Wednesday, held talks with his Russian counterpart Andrey Kozyrev, Ivan Rybkin, speaker of the lower house of parliament, and Vladimir Shumeiko, head of the upper house.

According to the ITAR-TASS news agency, the two sides "have similar views on international issues and are ready to expand bilateral cooperation and interaction on the international scene, primarily in northeastern Asia."

It said Moscow and Seoul are "rather close" in their stands on nuclear non-proliferation on the Korean peninsula.

After his talks with Han on Thursday, Kozyrev told reporters that Russia "cannot allow violation of the nuclear non-proliferation regime in any area and by any state."

Kozyrev also stressed that Russia is opposed to pressuring the Democratic People's Republic of Korea (DPRK) by force on the nuclear issue.

South Korea supports Russia's proposal to convene an international conference on the security and non-nuclear status of the Korean peninsula. But Seoul emphasized that preferably the Korean nuclear issue should be resolved at the UN Security Council.

Russia said the proposed international conference should be held on a six-plus-two formula with participation of Russia, the United States, China, Japan, the DPRK, South Korea, the United Nations and the International Atomic Energy Agency.

Another topic in Han Sung-chu's Moscow talks was preparations for the forthcoming visit of South Korean President Kim Yong-sam to Russia in June.

At the Russian-South Korean summit meeting, the two sides are expected to sign a package of documents on cooperation in the economic and political spheres.

It will be Kim Yong-sam's first visit to Moscow. Russian President Boris Yeltsin visited Seoul in November 1992.

Leaving Moscow for home on Friday, Han expressed satisfaction with his three-day Moscow trip. For its part, the Russian side described his visit as successful, noting that relations between Moscow and Seoul are "on the rise."

Rong Yiren Meets Osaka Businessmen in Beijing

OW1804080594 Beijing XINHUA in English 0746
GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Vice-President Rong Yiren discussed the philosophy of commercial activities with a delegation of the Osaka Chamber of Commerce and Industry led by its vice-chairman Yasuhiko Ueyama here today.

Rong told the visitors that the guiding principle for Chinese enterprises stresses both enterprise benefits and social benefits.

Noting that China is in the process of building a socialist market economy, Rong said an important aspect of socialism is to constantly raise the people's living standards.

This calls on all the enterprises to consider not only their own interests but also social benefits and their commercial activities must be in accord with the interests of the state and the people, Rong said.

He also expressed the hope that Chinese and Japanese industrialists and businessmen will have more exchanges in enterprise culture.

Present at the meeting was Jing Shuping, president of the All-China Federation of Industry and Commerce.

The visitors, who arrived here yesterday, are on a five-day visit with the purpose of knowing about China's enterprise culture.

ROK President Kim Yong-sam Meets Wu Xueqian

OW1604000994 Beijing XINHUA Domestic Service in Chinese 1304 GMT 11 Apr 94

[By reporter Tang Shuifu (3282 3055 1381)]

[Text] Seoul, 11 Apr (XINHUA)—Korean President Kim Yong-sam said here today: "During my recent visit to China, I held talks with President Jiang Zemin and Premier Li Peng; we frankly and sincerely exchanged views on further developing bilateral relations and on issues of common concern. The talks were very beneficial."

Kim Yong-sam made these remarks while meeting at the presidential office with Wu Xueqian, executive vice chairman of the National Committee of the Chinese

People's Political Consultative Conference [CPPCC], who is currently on a visit to Korea.

Kim Yong-sam added: "During my visit, I saw how China's reform and opening up has developed robustly. China has scored tremendous achievements. I believe China will score even greater achievements in its economic construction."

Wu Xueqian said: The establishment of diplomatic relations between China and Korea in August 1992 restored the long historical relationship between the two countries. President Kim Yong-sam's recent visit to China made important contributions to further advancing relations between the two countries.

Korean Foreign Affairs Minister Han Sung-chu hosted a banquet here this evening to welcome Wu Xueqian. Before the banquet, Han Sung-chu and Wu Xueqian had a cordial conversation.

Wu Xueqian arrived in Seoul on 10 April to begin an 8-day goodwill visit to Korea at Han Sung-chu's invitation.

XINHUA Views 'Turmoil' in Japanese Politics

OW1604173194 Beijing XINHUA in English 1616
GMT 16 Apr 94

["Roundup": "Japan's New PM To Be Elected Next Week"]

[Text] Tokyo, April 16 (XINHUA)—Japan's ruling coalition is back in action after a week of political turmoil sparked by Prime Minister Morihiro Hosokawa's sudden decision to resign on April 8.

Although divided into two rival camps, the coalition parties, except for the new Sakigake Party [Harbinger], have finally buried the hatchet and agreed to work for the selection of a new prime minister and the formation of a new government.

If an accord can be reached within the alliance on major issues such as taxes, foreign policy and administration reform, Foreign Minister Tsutomu Hata, head of Shinseitō (Japan Renewal Party), will become its single candidate for the premiership, political sources say.

But the possibility that former Deputy Prime Minister Michio Watanabe will become a dark horse and win the upcoming parliamentary election for premier cannot be ruled out.

Yesterday, Watanabe held a last-minute meeting with Liberal Democratic Party (LDP) President Yohei Kono, who has also announced his intention to run for premier. The two failed to reach an agreement on who the party's candidate should be, but agreed to meet again on Monday [18 April].

Kono had asked Watanabe to give up his candidacy to avoid a major breakup of the main opposition party, but

Watanabe rejected Kono's request. Their showdown may accelerate the disintegrating process within the LDP, which had dominated Japan's scandal-ridden politics for 38 years, until last August.

A new political map is also being drawn for the coalition.

Sakigake, a 15-member partner in the alliance that has been frustrated because Shinseito has led the bloc's decision-making, distanced itself from the others by declaring that it would not provide members in the next cabinet.

Sakigake leader Masayoshi Takemura is currently chief cabinet secretary, the top government spokesman.

Sakigake said, however, it will vote for the coalition's joint candidate for prime minister and support the government's position on pending issues such as the overdue 1994 state budget.

The Social Democratic Party and the Democratic Socialist Party, both of which sided with Sakigake in opposing the Shinseito-led management, agreed to go ahead with selecting a candidate without sakigake.

Meanwhile, Shinseito, the coalition's core component, still considers Watanabe a possible partner. Watanabe's stand on key issues is close to that of Shinseito Secretary General Lehiro Ozawa.

The political vacuum has been keenly felt on the diplomatic front, with official visits by Egyptian President Hosni Mubarak and Thai Prime Minister Chuan Lik-phai postponed at their request. Hosokawa had planned a tour of Europe this month, but now will not go.

U.S. Defense Secretary William Perry also postponed a visit to Japan scheduled for April 19 to 21 following the accidental downing of two U.S. helicopters by American jets over northern Iraq.

Japan's Watanabe To Quit Liberal Democratic Party

*OW1704134794 Beijing XINHUA in English 1249
GMT 17 Apr 94*

[Text] Tokyo, April 17 (XINHUA)—Former Foreign Minister Michio Watanabe decided today to bolt the main opposition Liberal Democratic Party (LDP) and create a new one, a step that will probably spark another major split in the LDP.

Watanabe, a faction leader within the fractious LDP, told reporters, "I will give up my party membership as a matter of course."

Watanabe, also a former deputy prime minister, has vowed to run in the Diet (Parliament) premiership election which will select the successor to Prime Minister Morihiro Hosokawa, who abruptly announced his resignation on April 8.

On Friday, LDP President Yohei Kono met Watanabe and asked him not to leave the LDP, the largest single party in the Diet.

The LDP lost its parliamentary majority after 38 years of rule last summer in the wake of major defections led by Foreign Minister Tsutomu Hata. Hata and former LDP Secretary General Ichiro Ozawa later formed Shinseito (Japan Renewal Party), now one of the key components in the seven-party ruling coalition.

Southeast Asia & Pacific

Burmese Official To Convey Buddha's Relic From China

*OW1804043494 Beijing XINHUA in English 0329
GMT 18 Apr 94*

[Text] Yangon, April 18 (XINHUA)—Myanmar [Burma] Minister for Religious Affairs Lieutenant-General Myo Nyunt left here today for Beijing for conveying Buddha's tooth relic from China.

To further the traditional friendship between China and Myanmar and between the religious communities of the two countries, the sacred tooth of Lord Buddha of China will make a temporary sojourn in Myanmar from April 20 to June 5.

The Myanmar Government is well prepared for the 45-day sojourn of sacred tooth of Lord Buddha, and arrangements have been made to enable the public to pay homage.

Rehearsal for welcoming the tooth relic by people in royal procession was held this morning at Yangon International Airport.

The Myanmar departments concerned specially conveyed emerald Buddha statue in Mandalay to Yangon last week for public obeisance together with the Buddha tooth relic from China.

As a token of China-Myanmar goodwill relationship, the statue was presented to Myanmar as a religious gift some 950 years ago.

Over 85 percent of the population are Buddhist in Myanmar where its rich cultural heritage, glittering temples and pagodas are well-known throughout the world.

PLA Chief Leaves 17 Apr for Exhibition in Malaysia

*OW1704134894 Beijing XINHUA in English 1248
GMT 17 Apr 94*

[Text] Beijing, April 17 (XINHUA)—General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), left here today for Kuala Lumpur, Malaysia, to attend the "Asian Defence Service Exhibition of 1994".

Lieutenant General Xu Huizi, deputy chief of the PLA General Staff, saw General Zhang and his party off at the airport.

XINHUA Head Meets Acting Prime Minister of Singapore

OW1804105894 Beijing XINHUA in English 0747 GMT 18 Apr 94

[Text] Singapore, April 18 (XINHUA)—Singapore Acting Prime Minister Lee Hsien Loong said here today that Singapore and China will enjoy more and more opportunities in bilateral economic cooperation as China's economy continues to develop.

Lee Hsien Loong made the comment when meeting with Guo Chaoren, president of XINHUA NEWS AGENCY.

At present, the momentum in the economic cooperation between the two countries is strong, and the prospects are good, he said.

The Suzhou Industrial Township has been enjoying great support from the governments of both Singapore and China, the acting prime minister noted.

He said the benefits of such a project can only be seen after long-term efforts are made. However, it must succeed and it will, he stressed.

As the Chinese economy continues to develop, there will be more and more opportunities for cooperation between the two countries, he said.

Guo arrived in Singapore last Saturday night [16 April] on a four-day visit at the invitation of George Yeo, Singapore minister for information and the arts.

Senior CPC Official Meets SRV Visitors in Beijing 18 Apr

OW1804113094 Beijing XINHUA in English 1052 GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Ding Guangen, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and member of its secretariat, met here today with Hong Ha, secretary of the Central Committee of the Communist Party of Vietnam (CPV), and his entourage.

The Vietnamese visitors arrived here yesterday as guests of the International Liaison Department of the CPC Central Committee.

Qian Qichen Interviewed on Asia-Pacific Economic Growth

HK1804103194 Beijing SHIJIE ZHISHI in Chinese No 1, 1 Jan 94 pp 2-3

[Interview with Qian Qichen, vice premier of the State Council and minister of foreign affairs, by staff reporter

Shi Zhi (0670 0037); place and date not given: "The World, Asia-Pacific Region, and China"]

[Text] In 1993, the international community paid much more attention to the Asia-Pacific region. In particular, the rise of China, as part of the Asia-Pacific region, dramatically changed people's opinion of the country. The Asia-Pacific region enjoyed a relatively stable political situation, fast economic growth, upgraded trading status, and strong momentum of investment. In November, the Asia-Pacific Economic Cooperation [APEC] grouping held its fifth ministerial meeting and first informal meeting of leaders in Seattle to discuss how to strengthen economic cooperation among APEC members and promote the further development of the Asia-Pacific economy. To find answers to several questions regarding the economic development and cooperation of Asia-Pacific nations and other issues, our staff reporter interviewed Qian Qichen, vice premier of the State Council and concurrently minister of foreign affairs, who took the Chinese delegation to the fifth APEC ministerial meeting.

[Shi] The "century of the Asia-Pacific" is now being discussed more and more often. What is your opinion of this issue?

[Qian] The flourishing economy of the Asia-Pacific region is one of the most conspicuous changes in the world situation since the 1980's. In particular, after entering the 1990's, while the world economy on the whole has been sluggish, the economy of the Asia-Pacific region has maintained a strong, vibrant momentum of growth. The development of the Asia-Pacific economy is not only changing the face of the region, but also bringing new life and vitality to the development of the entire world economy. The region's economy still has enormous potential for further development. If this potential is tapped, the Asia-Pacific region will have an even more brilliant future.

In the meantime, one can see that the tendency toward worldwide economic integration is getting stronger by the day. The economic prosperity of the Asia-Pacific region is inseparable from the growth of the world economy and the development of other regions around the world. The prosperity of the Asia-Pacific region has catalyzed the development of the world economy, while the growth of the entire world economy is also the basis on which the long-term prosperity and development of the Asia-Pacific economy depends.

[Shi] Not long ago, you took a delegation to the fifth APEC ministerial meeting. Could you please tell us your opinion of economic cooperation in the Asia-Pacific region?

[Qian] Strengthening economic cooperation is conducive to achieving longer-lasting development of the Asia-Pacific economy. This is an understanding shared by all nations in the Asia-Pacific region. Take APEC members for example: Their populations take up two-fifths of the

world population, their GNP's and foreign trade volumes account for about 50 percent and 40 percent of the world totals respectively, and the economic growth rates of most of the members have greatly surpassed the world average in the past few years. Furthermore, the economies of these nations and regions are strongly complementary to each other, so economic cooperation is not only required, conditions make it possible. One may say that the basis for economic cooperation in the Asia-Pacific region is very good.

On the other hand, diversity in the Asia-Pacific region is outstanding. In this region there are both developed countries and developing countries, sovereign countries and regional economies, and Oriental civilizations and Western cultures. The social systems and ideologies of the countries and regions are different, or even very different. This complicated diversity determines that economic cooperation in the Asia-Pacific region should be based solely on common economic interests. Only by observing such principles as mutual respect, seeking common ground while reserving differences, and equality and mutual benefit while adopting flexible and varied methods in dealing with one another, can substantial results be made in the region's economic cooperation. The reality in the Asia-Pacific region indicates that the conditions for establishing an Asia-Pacific economic community are not ripe.

[Shi] As a member of the Asia-Pacific region and the world, China, which is going through reform and opening up, has been a focus of attention. Could you please comment on China's status and role in Asia-Pacific economic cooperation?

[Qian] Since reform and opening up began 15 years ago, China has made enormous achievements that are obvious to all. A peaceful, stable, prosperous, and growing China is undoubtedly of great significance to the stability and prosperity of the Asia-Pacific region.

Looking at the future of Asia-Pacific economic cooperation, China will continue to make its contribution to the stability and prosperity of the Asia-Pacific region. The sustained, healthy, and rapid growth of the Chinese economy is progressively materializing the big market of China and expanding its foreign economic cooperation. In opening up to the world, China first opens up to the Asia-Pacific community. As part of the Asia-Pacific region, China will participate in creating the Asia-Pacific region's prosperity and, with its own development, will open up broader prospects for Asia-Pacific economic cooperation. In the meantime, China will also share the prosperity of the region alongside its ever-deepening cooperation with other Asia-Pacific nations. In short, China's development cannot succeed without the Asia-Pacific region, while the Asia-Pacific region also needs China for its prosperity.

Zhou Zhengqing To Head Delegation at ADB Annual Meeting

OW1604033794 Beijing XINHUA in English 0318
GMT 16 Apr 94

[Text] Beijing, April 16 (XINHUA)—China will send a 13-strong delegation, headed by Zhou Zhengqing, executive vice-governor of the People's Bank of China (PBC), to the 27th annual meeting of the board of governors of the Asian Development Bank (ADB).

The ADB meeting is scheduled to be held May 3-5 in Nice, France. According to a PBC official, as China's governor ad interim of the ADB, Zhou is to represent China in addressing the meeting on May 4.

The executive vice-governor of China's central bank is expected to expound China's views on the economic climate in the Asia-Pacific region, the ADB's business policy and its business activities in China.

Zhou will hold talks with ADB President Mitsuo Sato and governors of ADB members on issues relating to strengthened economic co-operation among the Asian countries and regions and the ADB's role in the economic development of Asia and the Pacific.

Founded in 1966 and headquartered in Manila, capital of the Philippines, the ADB is a financial institution aimed at promoting economic growth and co-operation in the region. By the end of 1993 the ADB had extended a variety of loans, totalling 47.7 billion U.S. dollars, it was learned.

Since China became an ADB member in 1986, the ADB has injected a total of three billion U.S. dollars into China's infrastructure projects, covering energy, transport, ports and telecommunications, as well as industrial and environmental protection projects.

Some of the projects are still being implemented while the others have begun to show economic significance, the PBC official said.

He disclosed that the ADB, having dispatched several groups to China to evaluate the implementation of the projects, is satisfied with its findings.

Last year, all ADB projects in China were graded "AAA", the highest level of implementation quality.

"The cooperation between China and the Asian Development Bank has given impetus to China's reform and opening up and helped ease the 'bottleneck effect' on China's economic growth caused by inadequate infrastructure facilities and industries," the official said.

Being a developing country with vast underdeveloped areas and vast population, China "more than ever before needs the support and help from the international community to eradicate poverty and rejuvenate the economy," he added.

It was disclosed that together with the Chinese official delegation to the ADB annual meeting will be delegates sent by dozens of Chinese financial institutions.

These delegates will forge wide contacts with their foreign counterparts in a bid to promote understanding and cooperation between Chinese and foreign financial circles, he added.

Tian Jiyun Leads Delegation on Visit to New Zealand

OW1804064794 Beijing XINHUA in English 0637
GMT 18 Apr 94

[Text] Wellington, April 18 (XINHUA)—A delegation of the Chinese National People's Congress led by vice chairman of its Standing Committee Tian Jiyun arrived here this afternoon to start a six-day visit to New Zealand.

In his written statement distributed to the press upon his arrival, Tian expressed the hope that the visit by the Chinese NPC delegation "will be contributing to the enhancement of the mutual understanding and friendship" between the peoples and parliaments of China and New Zealand, and to the "further development of our bilateral economic cooperation, and to the prosperity of the Asia-Pacific region."

Among those greeting the delegation at the airport were Peter Tapsell, speaker of the New Zealand House of Representatives, and Joy McLauchlan, chairman of the NZ Parliament Foreign Affairs and Defense Committee.

It is learned that during the visit, Vice Chairman Tian will meet Speaker Tapsell and NZ Prime Minister Jim Bolger and other high-ranking NZ Government officials.

New Zealand is the first leg of the NPC delegation's four-nation South Pacific tour, which also covers Western Samoa, Papua New Guinea and Australia.

Tian Jiyun Stresses Importance of New Zealand Ties

OW1804075994 Beijing XINHUA in English 0732
GMT 18 Apr 94

[Text] Wellington, April 18 (XINHUA)—China believes its friendly cooperative relations of equality and mutual benefit with New Zealand [NZ] is "of great importance in maintaining the world peace and regional stability, and promoting common development and prosperity."

This was stated by Tian Jiyun, vice chairman of the Standing Committee of the Chinese National People's Congress (NPC) in written statement distributed to the press upon his arrival here this afternoon.

Tian is leading an NPC delegation on a four-nation South Pacific tour which takes it to New Zealand, Western Samoa, Papua New Guinea and Australia.

He said in the statement, "China all along attaches importance to the preservation and development of a friendly relation with New Zealand."

Over the past few years, Sino-New Zealand relations witnessed new progress, and the two countries further expanded their bilateral economic and technological cooperation and trade, and increased cultural and personnel exchanges, he noted.

He said the visit to China by NZ Prime Minister Jim Bolger last year and the just-ended successful tour to China by NZ Parliament Speaker Peter Tapsell demonstrate that "relations between our two countries and two parliaments are deepening and developing."

The vice chairman said the delegation is looking forward to the frank and sincere discussions with NZ leaders, to the meetings with NZ industrial and commercial circles and particularly with NZ people.

Australian Governor-General Expects Closer Ties With PRC

OW1704040294 Beijing XINHUA in English 0349
GMT 17 Apr 94

[Text] Canberra, April 17 (XINHUA)—Australian Governor-General Bill Hayden is to visit China tomorrow, which he expects will enhance the bilateral relations between the two countries.

In an interview with Chinese journalists here before his departure, Hayden said that Australia's ties with China are becoming more mature than before.

The visit, from April 18 to 27, will be the first of its kind since Hayden became governor-general five years ago.

Hayden said that the bilateral relations between Australia and China have registered a "rapid and healthy" development during the past decade.

The two countries share many common interest and their economies are strongly complementary, he said.

Official figures showed that annual two-way trade between Australia and China witnessed a double-digit growth in the past five years to reach 3.6 billion U.S. dollars in 1993. About 600 Sino-Aussie joint ventures have also been launched.

The Australian Government attaches great importance to the ties with China, believing such ties are beneficial to both sides, Hayden said.

Furthermore, close cooperation between the two countries is also conducive to the stability and economic growth of the Asia Pacific region, he said.

On Australia's Asian policy, Hayden recognized that the history and cultural backgrounds of Asian countries are different from those of Australia.

To deal with Asian countries more effectively, Australia must understand their history and culture, and be ready to understand their way of judging things, Hayden said.

The Australian Government is now fully aware of the differences and is making efforts to promote mutual understanding so that it can interact with the region successfully, he said.

Australian Loan To Help Improve, Extend Tianjin Subway

OW1804035394 Beijing XINHUA in English 0234
GMT 18 Apr 94

[Text] Tianjin, April 18 (XINHUA)—Tianjin, the largest coastal city in northern China, will use an Australian Government loan of 112 million U.S. dollars to improve and extend its existing subway.

This was announced by the city's Subway Construction and Development Company.

The 7.4-km-long existing subway has helped much in easing traffic problems in the city since it was put into use in 1984 after 14 years of construction. Last year, the subway transported ten million passengers.

"The subway needs to be reconstructed and extended so as to meet the increasing demands of the city's economic growth," said Liu Yuxi, general manager of the company.

The underground railway, running north-south from the West Tianjin Railway Station to the Xinhua Road in the downtown area, will be extended 10.8 kilometers further south.

The reconstruction and extension, with a planned total investment of 3 billion yuan, will begin at the end of this year or early next year. The new subway is expected to operate at the end of 1998.

Besides the Australian loan, the city will use both domestic funds and other overseas investment in the project.

To attract more overseas investment, the municipal government has formulated preferential policies for foreign investors.

The company will welcome investments from Sino-foreign joint ventures as well as directly from foreign investors. Investors may also offer their cooperation in the construction of the subway. They are allowed to get involved in real estate if they invest in the subway construction.

The municipal government has allocated a total of 145,000 square meters of land in the city's downtown areas for foreign investors involved in the subway construction, to build trading and office buildings and top-class apartment buildings.

Overseas investors will also be permitted to design their own buildings and their taxation for imports of building facilities and materials for the project, for office facilities as well as for vehicles may be reduced or remitted.

Overseas investors may enjoy the reduction and remission of taxation involved in real estate development.

Besides the reconstruction and extension of the existing subway, the municipal government has also worked out a scheme for the city's high-speed train development.

The city's network, totalling 178 kilometers, will include three tunnels extending a total of 106 kilometers and a light-load railway running 71 kilometers.

Overseas investment will also be welcome in the construction of the city's high-speed railway, said Liu.

Near East & South Asia

Spokesman Announces Egyptian President To Visit 21-23 Apr

OW1804025094 Beijing XINHUA in English 0242
GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—President Muhammad Husni Mubarak of the Arab Republic of Egypt will pay a state visit to China from April 21 to 23, at the invitation of Chinese President Jiang Zemin.

This was announced here today by a Chinese Foreign Ministry spokesman.

Egyptian Official on Mubarak's Visit

OW1504183194 Beijing XINHUA in English 1807
GMT 15 Apr 94

[Text] Cairo, April 15 (XINHUA)—Adel al-Adawi [spelling of name as received], assistant to the Egyptian Foreign Minister for the Asian affairs, stressed the importance of the visit of the Egyptian President Husni Mubarak to China.

He said in a press release this afternoon that the visit aims at coordinating the stances of the two countries in the light of the international variables to boost economic, scientific, technical and cultural cooperation.

The Egyptian official highlighted the Chinese role in supporting the Egyptian efforts for establishing just and comprehensive peace in the Middle East region as China is a permanent U.N. Security Council member.

The Egyptian-Chinese relations are remarkably strong and are based on mutual understanding and support in the face of various international issues, the Egyptian official pointed out.

The Egyptian president is scheduled to pay an official visit to China from April 21 to 23, his fourth since he took office in 1981.

Egypt's Foreign Minister on Visit

OW1604204594 Beijing XINHUA in English 2016
GMT 16 Apr 94

[Text] Cairo, April 16 (XINHUA)—Egyptian Foreign Minister 'Amr Musa has stressed that President Husni Mubarak's visit to China between April 21 and 23 derives its importance from the role China has been playing in Asia and other parts of the world.

Today's Egyptian newspaper "AL-AKHBAR" reported the foreign minister's remark.

'Amr Moussa said that President Mubarak will hold talks with senior Chinese officials on political and economic issues as well as the Sino-Egyptian bilateral relations.

He added that the talks will cover coordination of the Chinese and Egyptian stances toward international issues and promotion of Sino-Egyptian economic cooperation.

Egyptian Assistant Foreign Minister for the Asian affairs Esmail al-Adawi [spelling of name as received] said that Egypt has good relations with China as it is one of the first countries which recognized the People's Republic of China in 1956.

President Mubarak is also scheduled to visit China's major experimental zone for science and technology development during his trip.

Government Loans Iran \$50 Million for Cement Plants

OW1504205094 Beijing XINHUA in English 2040
GMT 15 Apr 94

[Text] Tehran, April 15 (XINHUA)—China will provide Iran with 50 million U.S. dollars in buyer's credit for building five cement plants in Iran under an agreement signed here tonight.

This is the first buyer's credit by the Bank of China to Iran and the agreement was signed by a representative of the Bank of China and a representative of Iran's Sepah Bank.

With an annual interest rate of seven percent, the 5-year term credit will be used by the Iranian side to import five cement plants each with a daily capacity of 7 million tons.

The Chinese equipment will be exported by the China National Technical Import and Export Corporation.

Kidnapped Chinese Workers Released in Yemen

OW1504160594 Beijing XINHUA in English 1542
GMT 15 Apr 94

[Text] Sanaa, April 15 (XINHUA)—The two members of the Chinese technical teamwork executing the the project of building the Gahana-Maareb road Wang

Wenren and Tian Yueping were released as a result of the efforts of the Yemeni concerned authorities.

Yemeni gunmen had kidnapped the Chinese workers on April 3.

The Yemeni minister of the interior has handed Tian Yueping to the Chinese side last night while Wang Wenren was released the next day of being kidnapped.

Tian suffered a bad treatment during the period of detention but his health is now not bad.

The project of building of the road was suspended completely as of April 4 due to the security situation.

West Europe**Spokesman Says Li Ruihuan To Visit 5 European Countries**

OW1804080094 Beijing XINHUA in English 0735
GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—A spokesman of the Chinese Foreign Ministry announced here today: at the invitation of the Governments of Finland, Sweden, Norway and Denmark and President Charles Ferdinand Nothomb of the Chamber of Representatives and President Frank Swaelen of the Senate of Belgium, Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference will pay official good-will visits to the above mentioned five countries from May 2 to 24.

UK Defense Minister Criticizes Air Strike Proponents

OW1704183894 Beijing XINHUA in English 1801
GMT 17 Apr 94

[Text] London, April 17 (XINHUA)—British Defence Secretary Malcolm Rifkind today criticized the people who have advocated that more air strikes could halt combat in Bosnia.

Speaking on BBC Radio, the British defence secretary said that air power could not determine the outcome of the Bosnian war, although he denied that air strikes had failed and insisted that air strikes had reduced U.N. casualties there.

Rifkind argued that only massive ground forces would have that impact, but he maintained that the United Nations should remain non-partisan.

Meanwhile, Lord Carrington, former U.N. envoy to Bosnia, criticized today the West's policy failure in Bosnia.

Speaking on BBC TV, Lord Carrington said that with regard to the U.N. peace efforts in Bosnia, "everything has gone wrong."

It would be "madness" for the United Nations to wage war against the Bosnian Serbs, he stressed.

Qian Meets Portuguese Foreign Minister Barroso

HK1604063494 Beijing RENMIN RIBAO in Chinese
14 Apr 94 p 4

[Report: "Qian Qichen Meets the Portuguese Foreign Minister"]

[Text] Beijing, 13 Apr—Vice Premier and Foreign Minister Qian Qichen met Portuguese Foreign Minister Barroso on the afternoon of 12 April in the Diaoyutai State Guesthouse. Vice Premier Qian welcomed Foreign Minister Barroso, who had come to China for a second visit and was accompanying Prime Minister da Silva. Qian Qichen said that the Chinese and Portuguese prime ministers had conducted very good talks. Barroso said that he was very happy to meet Vice Premier Qian again. He indicated that Prime Minister da Silva's current visit was very successful and that this showed the good relations between Portugal and China.

Qian Qichen said that China and Portugal had successfully resolved the Macao issue and that this had become a good example of resolving historical problems through friendly consultation. He hoped that the power transfer in Macao would proceed smoothly and that this process would occur in a situation of stability and cooperation between the two countries.

On China's relations with the European Union, Qian Qichen said that the European Union is an important trade partner of China; but in comparison with the United States and Japan, the potential for economic and trade development has not been brought into play. Barroso said that Portugal favors European Union efforts to develop relations with China. Portugal is of the opinion that developing Portuguese-Chinese friendly and cooperative relations corresponds with the interests of the two countries' people, and Portugal supports China's reentry into GATT. Qian Qichen stressed that in international affairs, China dedicates itself to preserving peace and stability; no matter what happens in the world, China will continue its role in protecting peace and stability.

During the meeting, the two foreign ministers exchanged views on other international issues.

Vice Foreign Minister Jiang Enzhu was present at the meeting.

Portuguese Prime Minister Leaves Zhuhai for Macao

OW1604141194 Beijing XINHUA in English 1308
GMT 16 Apr 94

[Text] Guangzhou, April 16 (XINHUA)—Portuguese Prime Minister Anibal Cavaco Silva and his party left Zhuhai this evening for home via Macao, after a seven-day official visit to China.

Among those seeing the Portuguese Prime Minister off were Liu Xiliang, chairman of the Chinese Government Reception Committee and vice-minister of radio, film and television.

Silva and his party arrived in Guangzhou from Hangzhou yesterday evening. Vice-Governor Lu Ruihua, of Guangdong Province, hosted a banquet for the Portuguese guests.

Lu expressed the hope that the economic cooperation between Guangdong and Portugal would be furthered.

Silva, who visited Guangdong seven years ago, praised the province's opening up and fast economic growth in recent years, adding that his country is strengthening all-round economic cooperation with China, especially with Guangdong.

He pointed out that it is a common goal of Portugal and China to maintain the political stability and economic development in Macao.

This morning Silva and his party toured Pearl River by boat and visited a folk art museum in Guangzhou. They arrived in Zhuhai, one of China's special economic zones in Guangdong Province, this afternoon.

East Europe

UK Jet Fighter Shot Down Over Gorazde

OW1604173494 Beijing XINHUA in English 1622
GMT 16 Apr 94

[Text] London, April 16 (XINHUA)—A British Sea Harrier warplane was shot down over the Moslem town of Gorazde in Eastern Bosnia this afternoon, the REUTER NEWS AGENCY reported.

Reports said the pilot has been rescued.

It was the first NATO jet to be shot down since the alliance's monitoring of the U.N. No-Fly Zone over Bosnia in April 1993.

The BBC radio reported that the U.N. forces in Bosnia had asked for NATO air strike to stop Serb offensive on Gorazde.

Bosnian Serbs Agree To International Buffer Force

OW1704150594 Beijing XINHUA in English 1407
GMT 17 Apr 94

[Text] Belgrade, April 17 (XINHUA)—Bosnian Serbs have agreed an international buffer force to enter the Muslim enclave of Gorazde, according to U.N. Spokesman Major Dacre Holloway today.

The spokesman said that Yasuhi Akashi, the chief U.N. representative for former Yugoslavia, had been informed of the Serb decision at Pale today, the stronghold of Bosnian Serb leader Radovan Karadzic, where

Akashi and Karadzic had been meeting in a bid to break the deadlock over the enclave.

Meanwhile, Akashi is negotiating with Bosnian Serb leaders on a truce for the besieged southeastern Muslim enclave and the release of some 200 U.N. personnel.

According to the latest news reports, 19 Canadians—16 U.N. soldiers and three military observers—were released by Bosnian Serb forces outside Sarajevo on Sunday [17 April], three days after they were detained in retaliation for NATO air strikes.

Bosnian Serbs Agree To Ease Siege of Gorazde

OW1704152094 Beijing XINHUA in English 1449 GMT 17 Apr 94

[Text] Belgrade, April 17 (XINHUA)—Bosnian Serbs agreed today to ease their siege of Gorazde and allow an international buffer force to enter the Muslim enclave as a result of negotiations with the United Nations, according to U.N. Spokesman Major Dacre Holloway today.

The spokesman said that under the agreement, a 350-strong U.N. force will go into Gorazde, home to 65,000 residents and refugees, in Southeastern Bosnia.

Yasuhi Akashi, the chief U.N. representative for former Yugoslavia, had been informed today of the Serb decision in Pale, the stronghold of Bosnian Serbs, where Akashi and Bosnian Serb leader Radovan Karadzic had been meeting in a bid to break the deadlock over the enclave.

the serbs, besieging Gorazde for nearly two years, have agreed to withdraw their weapons from within a three-kilometer zone around the city, to be followed by talks on a more permanent exclusion zone later, the U.N. spokesman said.

Meanwhile, Akashi is negotiating with Bosnian Serb leaders on a truce for the Muslim enclave and the release of some 200 U.N. personnel.

According to the latest news reports, 19 Canadians—16 U.N. soldiers and three military observers—were released by Bosnian Serb forces outside Sarajevo on Sunday, three days after they were detained in retaliation for NATO air strikes.

Two NATO air strikes in the past two weeks, provoked by the Serb siege of Gorazde, had heightened tension between the Serbs and the U.N.

The agreement also provided for a multinational peace-keeping battalion of British, French, Ukrainian, Egyptian and a small Nordic medical unit to enforce the truce and restore calm in the area, Holloway said.

It was unclear so far when the U.N. troops would move in.

Serbian Tanks Enter Muslim Enclave of Gorazde

OW1804035194 Beijing XINHUA in English 0304 GMT 18 Apr 94

[Text] Belgrade, April 17 (XINHUA)—Serbian tanks entered the embattled town of Gorazde today across shattered Muslim positions around the town despite U.N. officials' announcement that a truce had been reached.

U.N. officials said that 21 people had been killed Sunday [17 April] and 55 wounded and that the fightings were even more tense after the ceasefire announcement.

"Bosnian army defenses around Gorazde have collapsed. They are non-existent," U.N. Peacekeeping Force Spokesman Rob Annink said, adding that "there is nothing to stop them except a command of their own political leadership."

The Serb siege of Gorazde, a Muslim enclave declared by the U.N. as a "safe area," provoked two NATO air strikes last Sunday and Monday.

Serb forces retaliated against the NATO strikes, detaining U.N. personnel last week and shooting down a British war jet over Gorazde Sunday.

This was the first NATO aircraft downed during military operations in Bosnia.

With the Serbs continuing their siege despite U.N. efforts to broker a ceasefire, U.N. chief representative for Yugoslavia today admitted that "the means at our disposal are not sufficient to cope with the situation."

At least 200,000 people have been killed or missing in the fightings between the Muslims, Serbs and Croats in Bosnia-Herzegovina.

Political & Social

Deng's Daughter Reports on Health of Deng Xiaoping

Says Deng 'Very Healthy'

OW1504124494 Beijing XINHUA Domestic Service in Chinese 1154 GMT 15 Apr 94

[By reporters Zhu Youdi (2612 1635 2769) and Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 15 Apr (XINHUA)—Responding to questions raised by reporters attending a news conference that the State Council Information Office held for Chinese and foreign reporters concerning "China's agenda for the 21st century," Deng Nan, vice minister in charge of the State Science and Technology Commission and Deng Xiaoping's daughter, said: "Deng Xiaoping is very healthy [shen ti hen jian kang 6500 7555 1771 0256 1660] and he is concerned with China's construction. He is also very much concerned with the implementation of all of 'China's agenda for the 21st century.' My father still makes it a routine practice each day to finish work. He reads a lot, and he walks. We even played bridge the day before yesterday."

During the news conference, many overseas reporters asked about Deng Xiaoping's health. Answering a question raised by a Hong Kong reporter, Deng Nan said: "I understand your concern for my father's health. We are used to all kinds of talk about his health."

More on Deng

OW1504130694 Beijing XINHUA in English 1252 GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—Deng Xiaoping is in pretty good health, said Deng Nan, vice-minister of the State Science and Technology Commission, at a press conference held here today.

Deng Nan, who is one of Deng Xiaoping's daughters, made the remark at a news briefing, arranged by the information office of the State Council, for "China's Agenda 21", which charts the country's development course for the next century.

Deng Nan told reporters at the briefing that her father cares deeply about China's construction cause.

"He is much concerned with the entire implementation of the targets set forth in the 'China's Agenda 21'. Every day, my father follows his routines and completes a set of work as before. He reads a lot and goes for a stroll each day," said Deng Nan, adding that they played bridge together the day before yesterday.

'Much Concerned' With Construction

HK1604044294 Hong Kong WEN WEI PO in Chinese 16 Apr 94 p A2

[By trainee staff reporter Fang Hsiao-i (2075 2556 11837): "Deng Nan Confirmed in Front of Chinese and Foreign Reporters That Deng Xiaoping Is In Good Health"]

[Text] Beijing 15 Apr (WEN WEI PO)—Deng Xiaoping is in very good health [shen ti fei chang jian kang 6500 7555 7236 1603 0256 1660], and is much concerned with China's construction, Deng Nan, vice minister of the State Science and Technology Commission confirmed to reporters here today.

She said that there are all sorts of rumors about her father's health overseas, which they had got quite used to, and would sometimes joke about. Each day, my father follows his routine practice and completes his set work as before, including a lot of reading. He continues to go for a stroll every day, and we even played bridge together the evening before last.

The State Council Information Office called a news conference for Chinese and foreign reporters at the Media Hotel today, and Chen Yaoban, vice minister of the State Planning Commission, and Deng Nan, vice minister of State Science and Technology Commission were invited to brief reporters on the white paper, "China's Agenda 21—Population, Environment, and Development of China in the 21st Century," and answer their questions.

One after the other, several foreign reporters asked Deng Nan about Deng Xiaoping's health. Deng Nan answered: I quite understand your concern for my father's health. There are often all sorts of rumors about my father's health, which we have gotten quite used to. Sometimes, we joke about them. My father is in pretty good health, and is very much concerned with China's construction, including the entire implementation of the targets set forth in "China's Agenda 21."

At the news conference, Deng Nan said: Everyone is equal before Chinese law.

Deng Nan made that point when answering foreign reporters' questions on the sons and daughters of some cadres in China abusing their power.

Deng Nan said: You have all learned recently that Li Xiaoshi, a former vice minister of the State Science and Technology Commission, was sentenced to 20 years' imprisonment. To my knowledge, Li Xiaoshi is also from a senior cadre family background. To my mind, anyone, either the man on the street or the son of a senior cadre, so long as he violates the Chinese law, will be meted out due legal sanction.

Speaks on 'White Paper'

*HK1504111594 Beijing ZHONGGUO XINWEN SHE
in English 0940 GMT 115 Apr 94*

[Text] Beijing, April 15 (CNS)—The daughter of Deng Xiaoping, Ms. Deng Nan, said that her father was in good health and still did much routine work including reading a lot of material and taking walks. She added that she and her father had played bridge the day before yesterday.

Ms. Deng made the remarks in reply to questions related to the state of her father's health when attending a press conference at the State Council press office in her capacity as the Vice Minister of the State Science and Technology Commission, together with the Vice Minister of the State Planning Commission Mr. Chen Yaobang, both of whom elaborated on a White Paper on China's population, environment, and development in the 21st century.

Ms. Deng said that she understood the wide concern for her father's health and that she and her family members were used to various rumours regarding her father's state of health and even joked about them. She repeated that her father was in a good state of health and clearly showed his care for the build-up of the country including the White Paper on the outlook for China in the next century.

Speaking on the White Paper, Mr. Chen said that it employed the spirit of the United Nations Environment and Development Convention held in Rio de Janeiro, Brazil, in June, 1992, and was worked out by the Chinese Government with the participation of 52 departments and social institutions involving 300 experts with four revisions. The paper was discussed and endorsed at a meeting presided over by Premier Li Peng last March 25.

The paper, based on the State situation and population as well as environment and development, makes known the general strategy for promotion of coordination of the economy, society, resources, and the environment in a bid to achieve continuous development. It will serve as a guiding document for a medium- and long-term programme for national economic and social development. It will also be used as a reference in the formulation of the Ninth Five-Year Plan and the programme for the year 2001.

Says Law 'Equal for All'

*HK1504125594 Beijing ZHONGGUO XINWEN SHE
in English 1130 GMT 15 Apr 94*

[Text] Beijing, April 15 (CNS)—Deputy Director of China's State Science and Technology Commission, Ms. Deng Nan, who is the daughter of Deng Xiaoping, said today at a press conference arranged by the Information Office under the State Council that China's law was equal for all.

She made these remarks in reply to a question regarding the apparent private gains made by some sons and daughters of leading cadres in China through their political power.

Ms. Deng said that everyone knew about the 20-year jail sentence handed down to a former deputy director of the State Science and Technology Commission, Li Xiaoshi, and to her knowledge, Le Xiaoshi was also the son of a senior cadre. She said she believed that irrespective of whether it was an ordinary person or the son or daughter of a leading cadre, they would receive the same punishment under the law if they were found to have breached the country's law.

Zhu Rongji Inspects Heilongjiang Province

*OW1704110294 Beijing XINHUA Domestic Service in
Chinese 0752 GMT 17 Apr 94*

[By reporters Wang Laixi (3769 0171 0823) and Li Chunlei (2621 2504 7191)]

[Text] Harbin, 17 Apr (XINHUA)—While on an inspection tour in Heilongjiang, Zhu Rongji, member of the Standing Committee of the CPC Central Committee Political Bureau and vice premier of the State Council, stressed that Heilongjiang Province has advantages in the areas of resources and industry. The current difficulties faced by the province are temporary ones encountered in the course of advance. Under the leadership of the party Central Committee and the State Council, it is entirely possible to invigorate Heilongjiang's economy with the efforts of the people of the entire province.

From 12 to 17 April, Zhu Rongji, accompanied by Heilongjiang's party and government leaders, including Sun Weiben, Tian Fengshan, and Cong Fukui, and other comrades, arrived in Daqing, Zhaodong, Harbin, and other areas for inspection tours to conduct investigations.

Comrade Yue Qifeng [deputy secretary of Liaoning party committee and Liaoning governor] participated in the inspection tour from beginning to end.

Zhu Rongji visited drilling sites, factory workshops, state-owned granaries, grain stations, rural seed growers, and farm product markets to have a cordial conversation with workers, farmers, and shop assistants. He inquired in detail about their production, business, and living conditions. He also called on cadres and workers of state-owned forestry-industry farms and land reclamation farms to hold talks with them. In Harbin, he held several talks with the leaders of relevant departments directly under the provincial government and leaders of prefectures and cities, enterprises, and factories to discuss ways to invigorate Heilongjiang's economy. After affirming Heilongjiang's important contributions to the state and the achievements the province has scored since the introduction of reform and opening to the outside world, he said: The party Central Committee and the State Council pay special attention to Heilongjiang's

economic development. Entrusted by Comrades Jiang Zemin and Li Peng, I, together with other comrades from the relevant departments under the State Council, have come here to conduct investigations and studies and to discuss with the provincial leaders new ideas for reform and development and measures for overcoming the current difficulties and for developing the economy.

Zhu Rongji stressed: The difficulties which have cropped up in the course of Heilongjiang's economic development are temporary difficulties in the course of advance. There is no doubt that they can be overcome. In solving these problems, the most important thing we must do is to unify the thinking of the cadres and people of the whole province, enhance their understanding, and change their concepts. The characteristics of Heilongjiang's economy are that it has resources and that industry and state-owned enterprises occupy a large proportion of the economy. This is a factor restricting economic development, but is also an advantage for invigorating the province's economy. So long as the province does its work in a down-to-earth manner in accordance with requirements for developing a socialist market economy, it will be able to transform these factors of restriction to favorable conditions for developing the economy.

Zhu Rongji said: Heilongjiang is the nation's important grain producing province and is also the nation's largest strategic base for grain reserves. It has great potential for grain production. Its 80 million mu of low-yielding farms can be improved; moreover, it has another 50 million mu of wasteland that can be reclaimed for farming. The central authorities attach great importance to agriculture. They are adopting measures to narrow the gap between the princes of agricultural and industrial products and are increasing investment in agriculture. So long as Heilongjiang upholds the principle of taking agriculture as the foundation of the national economy, makes full use of its advantages, readjusts its planting structure, popularizes fine seed strains, and develops a diversified economy, it will be able to turn agriculture into an important pillar for invigorating its economy. He pointed out: Town and village enterprises in Heilongjiang are not well developed, and farmers' incomes are increasing at a slow pace, but Heilongjiang's industry has enough technological strength to support the development of town and village enterprises. The prospects are promising in this area.

Zhu Rongji said: Heilongjiang Province is an important industrial base in China. In particular, it has various categories of heavy industries; its technological strength is strong, and in terms of equipment Heilongjiang is not bad at all. The province should make the upgrading of state-owned large- and medium-size enterprises the focus of its economic work and enhance the leading role of these enterprises. The fundamental way to deal with the difficulties encountered by state-owned enterprises is to deepen reform and to effectively change their operating mechanisms in line with the requirements for building modern enterprises. In building a modern

enterprise system, the most important thing to do is to separate government administration from enterprise management. The government should not interfere with an enterprise's decisions regarding normal operations. The government's main task is to supervise the leading bodies of enterprises and macroeconomic environment.

While in Harbin, Zhu Rongji inspected the ordnance enterprises which were encountering relatively greater difficulties. He stressed: Ordnance enterprises should continue to carry forward the spirit of self-reliant work to build an enterprise with arduous efforts, and change their way of operation and management in line with the requirements of a market economy. At the same time, they should make accurate decisions regarding switching from the manufacture of military products to that of civilian products. First, they should undertake more labor-intensive projects, instead of projects that need a large sum of capital, so as to employ more surplus labor; second, they should undertake more technical transformation projects instead of capital construction projects, because this is an effective way to get quick returns with less investment; third, they should no longer rely on appropriations to undertake new projects. They should use their own capital or bank loans, but should consider their ability to repay loans; and fourth, they should undertake more service projects instead of concentrating entirely on industrial projects.

Touching on debts among enterprises, Zhu Rongji said: In settling arrears among enterprises this time, new methods will be adopted to deal with the new characteristics. The state will not inject large sums of funds to settle arrears caused by the shortage of funds for investment in fixed assets. When funds raised by localities for projects are insufficient, the relevant prefectural authorities must quickly readjust their capital construction scale and channel their funds into other areas so as to ensure the minimum amount of funds; otherwise, banks will suspend loans for the projects. It is necessary to foster a concept of the legal system, strengthen settlement discipline, and prevent the accumulation of new arrears while settling the old ones.

Zhu Rongji said: Heilongjiang has the advantage in opening to the outside world. It should work harder to absorb and utilize foreign capital. While developing all-directional trade, it should strive to improve border trade, rectify the border trade order, readjust border trade structures, and adopt strict measures to control quality so as to promote the healthy development of border trade.

While inspecting Daqing, Zhu Rongji pointed out: Daqing has made immortal contributions in changing the concept that "China is poor in petroleum." Daqing should inherit and carry forward the fine tradition of building an enterprise with arduous efforts which took shape during the all-out effort to prospect for oil, and make greater contributions to the state. It should adopt advanced technology and strive hard to stabilize its oil output at the current production level before the year

2000. At the same time, it should strive to simultaneously develop agriculture, forestry, animal husbandry, sideline production, and fishery, improve urban planning, and build itself into a prosperous area in the north.

During the few days of investigations and studies, Zhu Rongji and other leaders of the relevant departments under the State Council he was leading discussed with the comrades from Heilongjiang new ideas for reform and development. They also solved some practical problems in economic development for Heilongjiang, especially for its ordnance and coal enterprises, as well as for state-owned forestry-industry and land reclamation farms.

Accompanying Zhu Rongji on the inspection tour were comrades from the relevant ministries and commissions under the State Council, including Liu Zhongli, Guo Shuyan, Wang Senhao, Han Zhubin, Xu Youfang, Tu Yourui, Wang Tao, Sheng Huaren, Zhu Yuli, and Zhang Junjiu.

Li Zemin Urges Cadres To Study Deng Works

OW1604090494 Hangzhou ZHEJIANG RIBAO in Chinese 10 Mar 94 p 1

[By Correspondent Lu Zhiyong (6629 2535 0516)]

[Text] On 7 March, Li Zemin, secretary of the Zhejiang Provincial CPC Committee, attended the opening ceremony of the first term of the 1994 training class for provincial management cadres sponsored by the party school under the provincial party congress. He also exchanged views with those cadres on studying Volume 3 of the *Selected Works of Deng Xiaoping*. Liang Pingbo, member of the provincial CPC committee and head of the provincial CPC committee's propaganda department, presided over the opening ceremony. Li Zemin stressed the need for all levels of leading cadres to conscientiously study Volume 3 of the *Selected Works of Deng Xiaoping* and the "Decisions" adopted at the Third Plenary Session of the 14th CPC Central Committee; to grasp well work of overall importance; to correctly understand and handle well the dialectical relationship between reform, development, and stability; and to ensure that the basic principle of the party work for this year will be implemented in our province.

Li Zemin said "seize the opportunity, deepen reform, open up wider, promote development, and maintain stability" are the party's overriding task for this year. Reform is the motive, development is the target, and stability is the guarantee and prerequisite for China. The three conditions taken together are an integrated whole. A correct understanding of the guiding principle for this year's work will help continue and develop the excellent situation in our province. The key for handling well the relationship between the three conditions lies in comprehensively and scientifically understanding Comrade Deng Xiaoping thought on development, reform, and stability. He said the issue of development is a very important idea in Comrade Deng Xiaoping's theory on

building socialism with Chinese characteristics. Under the conditions of developing a socialist market economy and of reforming the financial, monetary, and investment structures and when seeking development, we should stop adopting the old, lax, and inefficient management style which was characterized by superficial expansion, unplanned investment, and single-minded pursuit of high output value; instead, we should seek development through deepening the reform, readjusting and optimizing the economic structure, improving the quality of the entire economy, and raising economic efficiency. Comrade Deng Xiaoping's thought on reform and opening up is one of the important parts of the theory on building socialism with Chinese characteristics and of the party's basic line. Now the ideological and theoretical basis for reform are in place. We should rely on reform measures to solve the deep-seated contradictions and problems in economic life. Reform entails risks. But we must not stop embarking on our reform goals just because there are risks ahead. We need to develop unified thinking and to make meticulous arrangements, in order to reduce risks and to implement various reform measures in a positive and steady manner. Li Zemin added that the most important element in implementing Comrade Deng Xiaoping's call for "stability as the overriding task" is to maintain economic, social and political stability, and properly handle various interests and relationships. At present, particular attention should be given to upholding the authority of the CPC Central Committee, to maintaining the unity and enforcement of the government laws and orders, and to ensuring that reform, opening up, society, and the economy develop in an orderly and healthy manner.

Li Zemin said all levels of leading comrades should take the lead in conscientiously studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and raising their capability to solve complex contradictions and to cope with various situations. The provincial CPC committee has decided that cadres involved in management enroll in study classes in six batches at the party school. They will concentrate on studying Volume 3 of the *Selected Works of Deng Xiaoping* and the "Decisions" of the Third Plenary Session of the 14th CPC Central Committee. Sponsoring the training classes for provincial management cadres is one of the important measures adopted by the provincial CPC committee to enhance leading cadres' ideological and theoretical levels. The purpose is to make them well-prepared for the introduction of new reform measures this year. As the provincial CPC committee attaches great importance to the training classes, it will assign a leading comrade to attend each of the training class so that the leading comrade will join discussions and exchange views with cadres attending the training class. He expressed the hope that cadres attending the training class would integrate the actual situation in our province's reform and opening up with their own ideas; know well the emancipation of mind and of seeking truth from facts which are the essence of Marxism; raise the

problem-analysis and problem-solving capability by applying Marxist positions, viewpoints, and methods; and improve administrative and leadership levels in a down-to-earth manner.

Also attending the training-class opening ceremony were Yu Wenhua, deputy secretary general and director of the general office of the provincial CPC committee; Chen Sining, deputy head of the organization department under the provincial CPC committee; and Liu Guangyi and Tang Rongsheng, vice presidents of the party school under the provincial CPC committee.

Li Ruihuan Inscribes for Rebuilt Mosque

OW1504155094 Beijing XINHUA in English 1448
GMT 15 Apr 94

[Text] Tianjin, April 15 (XINHUA)—A large mosque, more than 500 years old, has been rebuilt here in this northern China port city.

Li Ruihuan, a member of the Standing Committee of the Chinese Communist Party's Politburo, wrote inscriptions for the mosque on a tablet.

The Islamic northern mosque (Qingzhen Beisi), called "No. 1 Mosque in Northern China," can hold more than 1,500 people for Moslem gatherings.

First built during the Ming dynasty (1368-1644) but destroyed in later wars and turmoil, the new mosque is much bigger and complex than the original one, according to an executive from the Islamic Association of China.

Most of China's Muslims live in North-West China, but Tianjin also has several thousand.

Zhu Rongji Concludes Visit to Heilongjiang

OW1704142194 Beijing XINHUA in English 1412
GMT 17 Apr 94

[Text] Harbin, April 17 (XINHUA)—Chinese Vice-Premier Zhu Rongji today ended a six-day tour of north-east China's Heilongjiang Province, after visits to Daqing, Zhaodong, Harbin and other cities.

Accompanied by senior provincial officials, the vice-premier went to local oilfields, factories, grain depots, market places and state farms to explore people's lives.

He also held talks with local officials and entrepreneurs, exchanging views on how to develop the local economy.

The vice-premier said Heilongjiang's difficulties in developing its economy is temporary and can be overcome. "There are bright prospects for invigorating the local economy," Zhu said.

He said the province's resource-processing type of economy, its big heavy industry and large number of state-owned enterprises should not be a burden to its development. These could be turned to good advantage.

Zhu Rongji told local officials that the central government is taking steps to reduce the price gap between farm and industry products, which will certainly benefit Heilongjiang, a leading grain-producing province of China.

Zhu reminded the officials that the province's developed industry could provide a greater technical support in developing its rural industry, which helps increase farmers' cash incomes.

As it has one of the largest manufacturing industries in China, Zhu said, the province should take the establishment of a modern enterprises system as a major solution to the difficulties facing state-owned enterprises.

In doing so, the vice-premier noted, the most important point was to liberate enterprises from interference by governments.

To the province's many defence industry enterprises which are having a hard time, the vice-premier also offered a prescription.

It was: to rely more on technical rather than capital input for better performance; develop more labor-intensive industry to create more job opportunities for redundant workers; look for a bigger market share in the service industries.

Referring to debts between enterprises, the vice-premier warned that this time, the central coffers would not provide large amounts of money to help clear any debts arising from poorly-funded capital construction projects.

Not only this, the vice-premier said, the state bank would stop giving loans to poorly-funded local construction projects, unless the scale and contents of these projects were properly readjusted.

While urging the province to step up its effort to attract more overseas investment, the vice-premier also called for better administration and higher product quality in border trade, so that this would develop further and more healthily.

On his visit to Daqing, Zhu Rongji noted that the city's oil industry should employ more new technology to maintain its oil output at the present level by the year 2000.

Zhu Rongji was accompanied on his tour by Finance Minister Liu Zhongli, Railway Minister Han Shubin, Coal Industry Minister Wang Senhao and other officials from the State Council.

Bo Yibo, Ren Jianxin Praise Dong Biwu

OW1504133394 Beijing XINHUA Domestic Service in Chinese 0715 GMT 1 Apr 94

[By RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 1 Apr (XINHUA)—DONG BIWU, a full-length pictorial on Dong Biwu's brilliant militant life, was published on the occasion of his 108th birthday. More than 200 people attended a discussion meeting in the Great Hall of the People this morning to mark the publication of the pictorial. They included personages of the judicial and jurisprudential circles and Dong's relatives and aides.

Wang Hanbin, Song Ping, Song Renqiong, Ren Jianxin, Sun Qimeng, Lei Jieqiong, Wang Guangying, Zhang Siqing, Wang Ping, Wu Xiuquan, Jiang Hua, Chen Xilian, Lu Zhengcao, Zheng Tianxiang, and Wang Heshou attended a publishing ceremony and the discussion.

Comrade Dong Biwu was one of the founders of the CPC. He was an outstanding party and state leader, as well as the principal founder of the people's judiciary during the period of the new democratic revolution and socialist construction. He held concurrent posts as vice premier of the central people's government and chairman of the political and law committee. He also served successively as president of the Supreme People's Court and acting president of the People's Republic of China.

The pictorial, compiled by the China Revolutionary Museum, contains a large number of photographs showing Dong Biwu's activities during various periods from the bourgeois democratic revolution to the new democratic revolution and socialist construction.

Bo Yibo made a written speech to greet the publication of the pictorial. He said: Comrade Dong Biwu was a great revolutionary. He unselfishly dedicated his entire brilliant life to the liberation and prosperity of the Chinese nation and to the independence and prosperity of our country. We should learn from his great spirit and lofty character, work hard with one heart and one mind under the leadership of the party Central Committee with Comrade Jiang Zemin at its core, and build well socialism with Chinese characteristics as Comrade Xiaoping has advocated.

Ren Jianxin, member of the Secretariat of the CPC Central Committee and president of the Supreme People's Court, delivered a speech at the meeting. He highly praised Comrade Dong Biwu for having made outstanding contributions to China's revolution and construction and particularly to China's legal system during his several decades of revolutionary career. He said: Comrade Dong Biwu dedicated himself to the formulation of China's socialist legal system. He profoundly expounded Marxist views on state and law, summed up the historical experience of the building of the people's regime and the formulation of the legal system, and explained and proposed a series of policies and principles on strengthening the socialist legal system. His far-sighted views and propositions remain an important guidance for us to uphold the policy of "building both

material and spiritual civilizations and attaching equal importance to both" and to further strengthen democracy and the legal system.

CPC Central Committee Appoints Heilongjiang Secretary

OW1704095994 Beijing XINHUA Domestic Service in Chinese 0912 GMT 17 Apr 94

[Text] Beijing, 17 Apr (XINHUA)—The CPC Central Committee has decided to appoint Comrade Yue Qifeng as member, Standing Committee member, and secretary of the Heilongjiang Provincial Party Committee, and to relieve Comrade Sun Weiben from these posts.

Beijing Higher Court Upholds Sentence on Xi Yang

Gives Xi 12-Year Sentence

HK1504143594 Beijing ZHONGGUO XINWEN SHE in English 1321 GMT 15 Apr 94

[Text] Beijing, April 15 (CNS)—The Beijing Higher People's Court passed final judgment on Hong Kong reporter Xi Yang and rejected his appeal by upholding the 12-year jail sentence and deprivation of political rights for two years, handed down by the Beijing Intermediate People's Court on March 28. The co-defendant Tian Ye, the deputy director of the office of the foreign affairs bureau of the People's Bank of China, had his original sentence of 15 years imprisonment and deprivation of political rights for three years confirmed.

Xi Yang, on assignment for the newspaper MING PAO, went to Beijing last June and July purportedly to cover the Sino-British talks and the establishment of the preliminary working committee to prepare for the Hong Kong Special Administrative Region. The court papers said that he did not apply to the authorities for coverage as was required in accordance with state regulations. Instead, he sent Tian Ye to steal and pry out state financial and economic secrets. Tian Ye stole classified documents involving sample banknotes, information on the sale of gold by the central bank in the international market, and on the adjustment of the exchange rate as well as documents on raising the interest rate by the central bank. The court papers noted that he illegally offered Xi Yang the documents which were, in turn, included in articles published in MING PAO, an action causing great economic damage to the state. The court said that the crime committed by the two defendants was undeniable and there was solid evidence to justify the sentence.

RENMIN RIBAO Short Commentary

OW1504182494 Beijing XINHUA Domestic Service in Chinese 1510 GMT 15 Apr 94

[RENMIN RIBAO Short Commentary: "The Alarm Bell Is Set Off Again"—date not given]

[Text] Beijing, 15 Apr (XINHUA)—RENMIN RIBAO Short Commentary: "The Alarm Bell Is Set Off Again"

The Beijing Municipal Intermediate People's Court has already passed judgment in accordance with the law on the case of Tian Ye and Xi Yang, who are accused of stealing state secrets and spying. Tian and Xi were sentenced to 15 and 12 years, respectively, in jail. The judicial organs took facts as the basis and the law as their criterion in reaching the judgment. The sentencing standards used are proper and the two offenders received their due punishment.

Xi Yang is a reporter of MING PAO based in Hong Kong who was assigned by the newspaper to cover news in the inland [nei di 0355 0966]. He is welcome if he does the things a reporter is supposed to do—gathering news and writing news stories. He is, however, not a law-abiding person, and he chose to engage in illegal acts of stealing and spying on financial and economic state secrets, which caused catastrophic consequences. These kinds of illegal acts, if not punished according to the law, will severely sabotage reform, opening up, and economic construction and do great harm to the interest of the state. Xi Yang's is a criminal case, pure and simple. The punishment of criminals guilty of stealing secrets and the protection of correspondents' freedom to gather news in accordance with the law are two totally different things. There is a clear distinction between legitimate news gathering and illegal spying. Our government protects the freedom of news coverage but not the freedom of stealing state secrets. Whoever steals state secrets in violation of the law will be punished according to the law.

As everybody knows, in the past decade or so, China, which is implementing the policy of reform and opening to the outside world, has opened its door to and warmly welcomed correspondents from Hong Kong, Macao, and Taiwan as well as from foreign countries to cover news in China, and offered, to the extent possible, services to make things easier for them in their legitimate reporting. This is the way we received the over 1,000 Hong Kong correspondents who came to the inland for news coverage since last year. Most correspondents from overseas abide by Chinese law, and only one case, Xi Yang's case, of stealing state secrets and spying was discovered last year. The law is sacred and no one is allowed to break it. No sovereign country or responsible government will tolerate illegal acts of spying on secrets in the name of news coverage.

As for Tian Ye, he is "a thief in the family" who wormed his way into an important state department. As a deputy chief of the General Office of the Bureau of Overseas Affairs of the People's Bank of China, his acts of stealing, spying on, and illegally supplying state secrets to others—acts that have caused great damage to the country and people—are even more intolerable under the law. The end he has come to is educational to the people: under the new historical period, reform and opening up indeed pose a severe test to the loyalty of every cadre of

the state. In the future, we must step up ideological education among the cadres. We must also strictly enforce law and discipline and implement effective measures to prevent similar violations from happening again.

This case of stealing secrets and spying has set off the alarm bell again. It reminds us to be alert in safeguarding state secrets and also serves as a warning to those who divulge or steal secrets. May the alarm bell ring forever!

Daily Comments on Law

OW1504164794 Beijing XINHUA in English 1624
GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—Overseas correspondents are free to report on China but will be punished if they violate Chinese law, the PEOPLE'S DAILY [RENMIN RIBAO] says in a short commentary to be published in tomorrow's edition.

The Chinese Communist Party's newspaper makes these remarks in commenting on today's rejection of the appeal by Xi Yang, a correspondent of the Hong Kong-based newspaper MING PAO, against a 12-year sentence for spying.

Xi was arrested last October and charged with espionage on state banking secrets. His accomplice, Tian Ye, an official of the People's Bank of China, was sentenced to 15 years behind bars.

The PEOPLE'S DAILY says: "The punishment of criminals and the protection of the freedom of news coverage are two totally different things," adding: "whoever steals state secrets will get punished."

"The Chinese Government protects the freedom of news coverage but not the freedom of stealing state secrets," the newspaper says.

If criminals in such cases are not punished severely according to the law, it says, China will suffer great damage in its reform and opening to the outside and in its economic construction.

In the past decade, China had always welcomed correspondents from Hong Kong, Macao and Taiwan as well as from foreign countries to do news coverage in China, and offered help for their legitimate reporting, it says.

Most correspondents from overseas abide by Chinese law, and only one case, i.e. Xi Yang's case, of spying on state secrets was discovered last year, it says. More than 1,000 Hong Kong reporters came to the mainland to do news reporting last year.

The paper labels Tian as "a thief in the family," saying that he cannot be tolerated as he revealed state secrets and caused great damage to the country and the Chinese people.

It warns other officials that China's reform and opening to the outside world poses a severe test to their loyalty.

XINHUA Domestic on Sentencing

OW1604061194 Beijing XINHUA Domestic Service in Chinese 1132 GMT 15 Apr 94

[Text] Beijing, 15 Apr (XINHUA)—Tian Ye, deputy director of the General Office of the Foreign Affairs Bureau of the People's Bank of China; and Xi Yang, a Hong Kong MING PAO reporter, were today respectively sentenced by the Beijing Municipal Higher People's Court to 15 years in prison and deprived of political rights for three years, and to 12 years in prison and deprived of political rights for two years, for stealing and illegally gathering state financial and economic secrets. The Beijing Municipal Higher People's Court reached the final ruling on maintaining the sentences decided on after the first trial of the two defendants.

Xi Yang, 38, went to Hong Kong from the mainland in June 1992 after inheriting property, and became a MING PAO reporter in August the same year. From June to July 1993, he was assigned by the person in charge of the newspaper to conduct activities in Beijing in the name of covering the Sino-British talks and inauguration of the Preliminary Work Committee of the Preparatory Committee of the Hong Kong Special Administrative Region. During his stay in Beijing, he spent most of his time illegally gathering state financial and economic secrets. Under Xi's instructions, Tian Ye provided him with top-secret information concerning China's bank note printing pattern and the People's Bank of China's plans to sell gold on the international market; to readjust the foreign exchange rates; and to again raise bank deposit interest rates, which Tian Ye had stolen and illegally gathered. Tian Ye also illegally provided Xi Yang with documents on "An Explanation on the Provisional Regulations Governing the Dealing of Renminbi by Foreign-Funded Financial Institutions," which were marked "confidential." Xi Yang incorporated these state secrets into articles and sent them to MING PAO for publication, causing serious economic losses to the state. Tian Ye and Xi Yang were arrested separately according to the law in October 1993.

The Beijing Municipal People's Procuratorate instituted proceedings according to the law against Tian Ye and Xi Yang on 14 December 1993. Because the case involved state secrets, the Beijing Municipal Intermediate People's Court, according to article 111 of the "Criminal Procedural Law," conducted a nonpublic trial of the case. During the trial, because some evidence required further confirmation, the Beijing Municipal Intermediate People's Court returned the case on 27 January 1994 to the Beijing Municipal People's Procuratorate for evidence substantiation. On 15 February, the Beijing Municipal People's Procuratorate again referred the case to the Beijing Municipal Intermediate People's Court.

Before the trial began, both Tian Ye and Xi Yang said they did not need an attorney and would defend themselves on their own. During the trial, both defendants admitted their crimes and repented what they had done, and asked the court to show leniency.

After the trial was completed, the Beijing Municipal Intermediate People's Court ruled that, as a state worker Tian Ye violated the state's secrecy laws and regulations, and stole and illegally gathered and provided state secrets; that his act constituted the crime of stealing and illegally gathering and providing state secrets; and the case was especially serious. The court also ruled Xi Yang had ignored state law, stole and illegally gathered state financial and economic secrets, and published these secrets in a newspaper outside the country; that his act constituted the crime of stealing and illegally gathering state secrets; and the case was especially serious. The court ruled: The evidence of both defendants' crimes is well substantiated. According to the "Supplemental Regulations on the Punishment for the Crime of Revealing State Secrets" of the National People's Congress Standing Committee—which states "Those who steal, illegally gather, buy, or provide state secrets to organs, organizations, or personnel outside the country are to be sentenced to 10 years or more in prison, to life imprisonment, or to death, and are to be deprived of political rights, if the case is especially serious"—the Beijing Municipal Intermediate People's Court, considering that both defendants had admitted their crimes and confessed, decided to appropriately reduce the punishment and reached a first-trial verdict on 28 March 1994, sentencing Tian Ye to 15 years in prison and depriving him of political rights for three years, and sentencing Xi Yang to 12 years in prison and depriving him of political rights for two years. Xi Yang refused to accept the verdict and lodged an appeal to the Beijing Municipal Higher People's Court. The Beijing Municipal Higher People's Court, after completing a second trial of the case, decided to reject Xi Yang's appeal and maintained the original verdict. The two criminals' prison terms begin from the date of detention.

XINHUA Details Case

OW1504161394 Beijing XINHUA in English 1600 GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—An appeal by Xi Yang, a reporter of the MING PAO newspaper based in Hong Kong, against a 12-year prison sentence on charges of stealing state secrets was turned down here today.

The Beijing Municipal Higher People's Court rejected Xi Yang's appeal, upholding the sentence of the Beijing Municipal Intermediate People's Court of 12 years' imprisonment, depriving him of political rights for two years.

Xi's abettor, Tian Ye, was sentenced by the original trial to 15 years' imprisonment and deprived of political rights for three years. Tian, who was formerly deputy chief of the General Office of the Bureau of Overseas Affairs of the People's Bank of China (PBC), did not appeal.

Assigned by the MING PAO newspaper, Xi Yang stayed in Beijing during the period from June to July, 1993, under the pretext of covering the Sino-British talks and

the establishment of the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region of the Standing Committee of the National People's Congress.

However, he did not send his applications for interviews to departments concerned as the state regulations demand, but incited Tian Ye to steal and spy out government financial and economic secrets.

Tian provided Xi with many top secrets including samples of Chinese bank notes, information about the PBC's selling gold in the international market, the PBC's plan about readjusting the exchange rates between Chinese renminbi and foreign currencies, and the PBC's decision about raising again the interest rates of the deposits as of July in the year.

Besides, Tian stole and illegally provided Xi Yang with a confidential document entitled "illustration on the provisional rules about overseas-funded financial institutions' engaging in business of renminbi." After receiving the secrets, Xi immediately wrote stories about them and sent the stories to the headquarters of the MING PAO newspaper for publication, thus causing the state to suffer heavy economical losses.

On December 14, 1993, the Beijing Municipal People's Procuratorate instituted proceedings against Xi Yang and Tian Ye according to the law.

Since the case involved state secrets, the Beijing Municipal People's Court held closed hearings on the case, according to the 111th provision of "the Law of Criminal Procedures of the People's Republic of China."

During the hearings, the Beijing Municipal Intermediate People's Court found that some of the evidence in the case should be further verified, thus sending back on January 27 this year the case to the Beijing Municipal People's Procuratorate for further investigation.

On February 15, the case was sent again by the Beijing Municipal People's Procuratorate to the Beijing Municipal Intermediate People's Court for trial.

Both the defendants Xi Yang and Tian Ye said before the trials began that they would defend themselves and did not invite any lawyer to act for them. During the trial, both of them admitted their guilt, showed repentance and asked the court to be lenient.

The Beijing Municipal Intermediate People's Court held that Xi Yang had ignored China's laws, gathered and spied out state financial and economic secrets, and published them in a newspaper overseas, thus committing the crime of stealing and spying state secrets, an exceptionally serious case.

The court held that as a staff member of a government body, Tian Ye had violated the state regulations on maintaining confidentiality and stolen, spied and illegally supplied state secrets, thus committing the crime of

stealing, spying and illegally supplying state secrets, also an exceptionally serious case.

The criminal facts of Xi Yang and Tian Ye are clear and the evidences are conclusive and full, according to the court.

"The supplementary regulations on crime of leaking state secrets" adopted by the Standing Committee of the National People's Congress stipulated that those whose case of stealing, spying, buying or illegally supplying state secrets for overseas institutions, organizations or persons is serious should be sentenced to penal servitude for a definite period longer than 10 years, penal servitude for life, or sentenced to death and should be deprived of political rights for some time.

Since Xi Yang and Tian Ye admitted their guilt and showed repentance, the Beijing Municipal Intermediate People's Court decided to punish them leniently and on March 28, 1994, sentenced Xi Yang to 12 years' imprisonment, with the term starting from September 27, 1993, and depriving him of political rights for two years, and sentenced Tian Ye to 15 years' imprisonment with the term starting from September 24, 1993, and depriving him of political rights for three years.

Xi Yang appealed to the Beijing Municipal Higher People's Court against the sentence.

After its appeal hearing, the Beijing Municipal Higher People's Court rejected Xi Yang's appeal and upheld the original ruling of the Beijing Municipal Intermediate People's Court.

Hong Kong XINHUA Deputy Chief Comments

HK1604055194 Hong Kong WEN WEI PO in Chinese
16 Apr 94 p A12

[Unattributed report: "Zhang Junsheng Stresses that the Higher People's Court Has Affirmed Original Judgment on Xi Yang Case According to Law"]

[Text] Yesterday, while reporters asked Zhang Junsheng, deputy director of the Hong Kong Branch of XINHUA News Agency, questions about the Beijing Higher People's Court rejection of Xi Yang's appeal and affirmation of the original judgment, he pointed out that the inland [nei di 0355 0966] judicial department independently handled and passed judgment on Xi Yang case according to the criminal facts on the basis of judicial procedures. This is completely a question of violating inland laws because of stealing state secrets. This does not concern freedom of the press, nor has it anything to do with normal news coverage.

Zhang Junsheng made the remarks while attending the inauguration ceremony of the Hong Kong General Publication Association. He added that he learned from news reports that the Beijing Higher People has passed judgment of the second trial on Xi Yang case. According to inland laws, the second trial is a ruling of the final instance. Interpretation of the judgment in Xi Yang's

case is a matter for the relevant judicial department. We can only answer some of your questions to help you clear up doubts according to our understanding of the laws.

Zhang Junsheng stated: Freedom of covering news is protected according to law in the interior. With regard to Hong Kong reporters who cover news in the interior, as long as they do not violate inland laws, it is very free for them to do news coverage. Enormous assistance has been provided for Hong Kong reporters who are covering news in the interior not only by relevant departments in the interior, but also by the Hong Kong Branch of XINHUA News Agency. You all know this very clearly.

Paper Views Verdict

HK1604071094 Hong Kong WEN WEI PO in Chinese
16 Apr 94 p A2

[Editorial: "Stealing Secrets Is Not Gathering News; Never Defy the Law"]

[Text] The hearing of Xi Yang's appeal has ended. Yesterday, the Beijing Municipal Higher People's Court announced its decision to reject Xi Yang's appeal and uphold the original verdict of the Beijing Municipal Intermediate People's Court at the first hearing, namely, a 12-year prison sentence with two-year deprivation of political rights.

The court charged Xi Yang with ignoring the law of the land, stealing and prying into state financial and economic secrets, and publishing the stolen information abroad in the press. His act constituted the crime of stealing and prying into state secrets and was an especially serious case at that. Tian Ye, in the capacity of a state functionary, violated the state security ordinance and stole, pried into, and illegally provided state secrets. His act constituted the crime of stealing, prying into, and illegally providing state secrets, and was an especially serious case also. The truth of the crime committed by Xi Yang and Tian Ye is clear and the evidence conclusive and sufficient.

What criteria were used to measure the penalty? Was the penalty too heavy or not? The "Supplementary Stipulations on Punishing the Crime of Disclosing State Secrets" made by the National People's Congress [NPC] Standing Committee contain the following clauses: "He who steals, pries into, buys, and illegally provides state secrets for institutions, organizations, and personnel outside Chinese borders," "in an extra serious case, shall receive a prison sentence of 10 years or above, life imprisonment, or the death penalty and deprivation of political rights." The lightest penalty is a 10-year jail sentence and the heaviest is the death penalty. Because the two people adopted a positive attitude in pleading guilty and showed signs of repentance, they were handled leniently. Some people set the "Criminal Procedural Law of the People's Republic of China" against the "Supplementary Stipulations on Punishing the Crime of Disclosing State Secrets" of the NPC Standing Committee, criticizing China for "inconsistency" in the choice of

legal provisions for prosecuting Xi Yang. This is sheer nonsense. Quoting the "Supplementary Stipulations" was to establish a basis for the measurement of penalties and quoting the criminal procedural law was to classify the criminal prosecution as a case involving state security and theft of state secrets, which required a nonpublic hearing. Since it involved state secrets, the court was duty-bound to protect state secrets from being divulged in the course of the trial, so a nonpublic hearing was required. No country would, while taking legal action against theft of state secrets, exhibit the secrets to be protected, still less publish to the outside in great detail the confidential figures of the losses caused to the state after the defendant has denied any losses to the state. If China had done so, it is certain that foreign hostile forces would have been able to find out more about China's capabilities in meeting contingencies, various plans for handling crises, and resources and means that can be employed. The big slippage and fluctuation of renminbi last June and July was not good for the national economy, the people's livelihood, or the overall situation in the country. The Chinese Government treated it as a major matter and handled it accordingly. If all the operational measures for stabilizing renminbi were divulged, the contingency measures were bound to lose their effect, giving speculators something to take advantage of. It would cause further slippage of the renminbi rate and undermine the stability of China's political situation.

Xi Yang grew up in mainland China and once served in the army. He was at one time a reporter with a newspaper publisher in Beijing. Someone like him who received long periods of education in citizen ethics and the legal system naturally knows the state security law and the serious consequences of violating it. His obtaining secrets through Tian Ye by illegal means points to his awareness that he was stealing state secrets, which he candidly confessed afterward.

Some people believe that "one country, two systems" means using Hong Kong's legal standards to handle the issue of guilt and innocence in the mainland. If the executive personnel of a newspaper published in Hong Kong wish to obtain some confidential information, they can instruct reporters to "run the risk to overcome the obstacle" and get hold of it. Even if it is a state secret or confidential document, they can also take as they like without being restricted by the law of the mainland system. What is the "risk?" And what is the "obstacle?" They regard the criminal act banned by the mainland law as a "risk" and refer to the act of obtaining the secrets that the Chinese authorities have time and again requested functionaries at all levels not to divulge as "overcoming the obstacle." This means some people are openly despising and challenging the laws of the Chinese mainland. This dangerous argument finally led Xi Yang into a dangerous situation and landed him in the misfortune of imprisonment.

Xi Yang's case is in essence a criminal case of violation of the mainland China's law. It is a question of abiding

by the law or violating the law, not an issue of freedom of press. Hong Kong has its own security laws. If, when the exchange rate of the Hong Kong dollar plummeted to the level of one U.S. dollar to 9.6 Hong Kong dollars in September 1983, someone had colluded with some official in the financial department and got hold of the relevant confidential documents, facts about the abortive effort to salvage the market by flight from the U.S. dollar and the proposal for pegging the exchange rate, both the official and the reporter who had pried out the secrets through the official would have violated the law and faced prosecution.

Each year, thousands of Hong Kong reporters go to the mainland to gather news. There are many reports that criticize China and cases of fabricating stories to vilify the Chinese Government have also happened. But no reporter involved has ever been subjected to criminal investigation by China. Therefore, the freedom of Hong Kong reporters in conducting journalistic reporting is protected. However, Xi Yang ventured into the forbidden zone of the criminal law and colluded with a civil servant to steal and pry into secrets. This act of violating the criminal code is naturally punished according to law. Therefore, it does not make sense to equate a criminal act with news gathering. The implication of Xi Yang's case is this: No matter who you are, you must not test the law in your own person, but must respect and observe the laws and regulations of the mainland. While in the mainland, one must abide by the mainland's law; while in Malaysia, one must abide by Malaysia's law; while in Taiwan, one must abide by Taiwan's law. This is an easy point to see for anyone with some common sense.

One aspect of "one country, two systems" is that the mainland should enforce mainland laws and Hong Kong should enforce Hong Kong laws. After 1997, even the People's Liberation Army forces stationed in Hong Kong must observe the law of the Special Administrative Region. Why do some people advocate that Hong Kong people do not have to observe mainland laws when they are in the mainland? This idea that one does not have to observe the law is detrimental to the implementation of "one country, two systems."

Police Detain Two Dissidents in Shanghai 'Briefly'

HK1704041794 Hong Kong AFP in English 0403 GMT 17 Apr 94

[Text] Beijing, April 17 (AFP)—Chinese police briefly held two leading Shanghai dissidents for questioning less than one week after releasing them from detention, one of the activists said Sunday. Yang Zhou, spokesman of the Chinese Human Rights Association, said by telephone that he was taken from his home at 3:30 p.m. (0730 GMT) Saturday and released at about 10:30 p.m., adding that fellow activist Bao Ge had also been pulled in. The 50-year-old veteran dissident described his detention as a "warning," saying police had told him to stop his campaigning. Bao's father said his 31-year-old

son was taken away by two policemen at 5:15 p.m. (0915 GMT) Saturday as he left his home, adding that he was released at about the same time as Yang.

Yang and Bao were last detained on April 9 in a sweep on dissidents as French Prime Minister Edouard Balladur arrived in Shanghai. They were released the following day but kept incommunicado in their flats for several hours until the French delegation left the city.

Bao, an ardent campaigner for Japan to pay reparations for atrocities committed in the 1937-1945 Sino-Japanese war, has said he wants to form a new human rights organisation dedicated to solving concrete social issues. "We absolutely must be closer to the people," he said recently.

Activists have begun reemerging from the shadows in recent months, forming groups again for the first time since Beijing's Tiananmen Square massacre on June 4, 1989, and publicly demanding more democracy in China as discontent grows over soaring inflation, corruption and other social ills. The continuing detentions are part of tightened security as the government seeks to stamp out such activities in the run-up to the sensitive fifth anniversary on June 4th of the army's violent suppression of Beijing's democracy movement.

Authorities Arrest 'Suspects' in Lake Boat Incident

OW1704132994 Beijing XINHUA in English 1302 GMT 17 Apr 94

[Text] Hangzhou, April 17 (XINHUA)—Zhejiang provincial police authorities announced here today that they were treating the death of 32 people, including 24 tourists from Taiwan, in the Qiandao Lake boat incident of March 31 as murder, robbery and arson, and had arrested three suspects.

This was the first announcement by the provincial police authorities that the incident had initially been established to be a case of murder, robbery and arson, after 17 days of investigation.

The announcement said that the three suspects were 22-year-old Wu Lihong and 24-year-old Hu Zhihan from Chunan County, and 23-year-old Yu Aijun, 23, of Jiande City, all in Zhejiang Province, and that they had confessed plotting, preparing and carrying out the robbery and murders and setting fire to the boat, the "Hairui", on Qiandao Lake on March 31.

The police authorities said that they are seizing every minute to investigate into the details of the case.

Customs 'Cracking Down On' Internal Graft

HK1604053694 Beijing CHINA DAILY in English 16 Apr 94 p 3

[By staff reporter Liang Chao: "Customs Targets Internal Graft"]

[Text] Customs authorities are cracking down on corruption by its staff and agencies.

The General Administration of Customs (GAC) has investigated 38 corruption cases involving customs officials and refunded 21 unreasonable charges on customs services, customs sources said.

At least 10 officials from Nanjing Customs, Jiangsu Province, have been taken into custody or arrested for graft, embezzlement of public funds or seeking commissions, according to reliable sources.

Eight other customs officials working in the province's Zhangjiagang branch were found guilty of receiving bribes by local courts.

In addition, the head of Zhangzhou Customs in south-east China's Xiamen was arrested for smuggling.

The GAC has discovered that some customs officials have solicited bribes from importers and exporters, claiming the funds as support of customs work.

Some officials have demanded luxury receptions from host organizations or enterprises, exceeding government-stipulated standards for work.

Others have used import and export companies' cars or mobile telephones without paying for them. Still others have submitted private bills to import/export companies treasurers' offices.

According to reliable sources close to the GAC, the current crackdown "will focus on major misbehavior liable to draw strong complaints from the public."

By the end of May, the GAC plans to review existing standards and charges on customs services. Charges must be in accordance with State-regulated price standards. Random charges and overcharges on services, both illegal, will be eliminated. The GAC made it clear that customs agencies were not allowed to run any type of economic entity or invest in any kind of profit-oriented business.

In addition, companies are prohibited from attaching themselves to customs agencies to escape government supervision.

By the end of June, customs divisions must divest from any service industries which they currently hold.

The GAC has made major advances in cracking down on internal corruption since last June when the central government intensified its fight against graft.

To date, the GAC has also shuttered a total of 127 customs-run companies that were engaged in service industries.

Thirty other firms were told their businesses had too close a relationship with the customs administration and they should move into another realm of trade.

Measures To Achieve Stability, Smooth Reform

HK1604073094 Beijing ZHONGGUO XINWEN SHE in English 0352 GMT 16 Apr 94

[Text] Beijing, April 16 (CNS)—Stability should be maintained in five sectors in a bid to ensure smooth reform set for this year, according to authoritative sources in economic circles.

First, commodity prices should be kept stable. Intensive restructuring of means of production is now underway while price reform for coal, electricity, oil, food and cotton covers a wide field which will surely have an impact on prices for consumer goods. The state plans to keep the price rise under ten percent this year in line with the actual situation. Other measures for the sake of steady prices will gradually come into force.

Second, economic growth should be kept under control. The central government has set the gain at nine percent which is better for China at this stage. Economic growth should not go beyond the financial and material strength nor should it exceed the capability of society to stand such a burden. Comparisons among departments or regions on the pace of economic development and the number of items to be exploited have to be avoided.

Third, agriculture should maintain steady development. Judging from a certain period in the past when economic austerity was seen, agricultural problems first of all surfaced and the central authorities paid much attention to this sector. Rural work meetings and agricultural work meetings and those on food and oil work have since last year been held. Important documents were issued on several occasions to call for relations of the heavy burden shouldered by peasants. Priority should be given to the interests of peasants and agriculture this year.

Fourth, the currency should be kept stable with the stabilizing of the currency value the main issue. The central bank has had a strong grip on the money supply and having control on the amount of currency in circulation, the central bank can regulate the general demand for currency. Whether the amount of currency in circulation and the value of currency are kept stable is directly related to the stability of prices, society and economic development.

Fifth, social stability is considered a must for reform as well as economic development.

Foreign Investment, Joint Ventures Banned From Cable TV

HK1604053794 Beijing CHINA DAILY in English 16 Apr 94 p 3

[By staff reporter Gao Jin: "Cable TV Off Limits to Overseas Firms"]

[Text] Overseas organizations and individuals will be barred from setting up and operating cable television stations in China, a government official said yesterday.

Sino-foreign joint ventures and cooperatives in cable television are also barred, according to Zhou Caifu, director of the Ministry of Radio, Film and Television's cable TV division.

The ban has been stipulated in the ministry's new regulation on cable TV management. A copy of the ruling was obtained yesterday by China Daily.

Zhou said cable TV is an important part of the country's radio and TV programming and should serve as the Party's and government's propaganda tool while entertaining view. Some foreign organizations and individuals have shown keen interest in operating cable TV stations in the country. Their applications have been rejected, Zhou said.

The regulation also contains stipulations on the construction, management, technology, equipment, finance and programmes aired by cable TV stations.

According to the regulation, no TV programmes from Hong Kong, Macao or Taiwan may be relayed and no satellite programmes may be broadcast. Unauthorized overseas video tapes and movies are forbidden on cable TV.

No reactionary, pornographic, violent programmes or programmes harmful to the State security and social stability may be aired.

Violators of the ministry's new regulation will face warnings, stiff fines or punishment as stated by law.

Top Leaders Discuss Delay of 4th Plenary Session

HK1804103594 Hong Kong CHENG MING in Chinese
No 198, 1 Apr 94 pp 12-13

[By staff reporter Li Tzu-ching (7812 5261 0079): "Why Is the Fourth Plenary Session So Slow in Coming?"]

[Text] The Convocation of the Fourth Plenary Session Is Postponed

In this year's March issue, CHENG MING reported that "the Fourth Plenary Session of the 14th CPC Central Committee would be held in March." The situation has now changed and the session has been postponed and will not be opened in the near future.

On 8 March, the Secretariat of the CPC Central Committee held a joint meeting of secretaries of various central departments and commissions, and of party committees of various provinces, municipalities, and regions. The meeting was chaired by Ding Guangen and Hu Jintao, who, on behalf of the Political Bureau and the Secretariat, announced the decision to postpone the convocation of the fourth plenary session.

Hu Jintao discussed the reasons for postponing the convocation of the fourth plenary session and about the Central Committee's policy for work in future. Hu Jintao

said that the convocation of the session had been postponed after taking the following six issues into consideration:

Hu Jintao on Six Major Issues Causing the Postponement of the Session

1. The CPC Central Committee, the State Council, the National People's Congress Standing Committee, various central departments, ministries, commissions, and offices, and various provinces, municipalities, and regions should have an identical appraisal of the current political, economic, and social situation. (This implies there is not yet an identical appraisal.)

2. The anticipated goal of anticorruption work, the central task put forward by the Central Committee, has not yet been attained and the situation is grim.

3. The pressure of inflation—the focus of society—is intensifying and the central authorities and various localities have published or are to publish controversial or different views on measures and policies for reform.

4. Some time is still needed for various central departments, ministries, commissions, offices, and localities to thoroughly understand the resolutions and guidelines of the Third Plenary Session of the 14th CPC Central Committee.

5. There is a gap in the knowledge and understanding of the establishment and development of the socialist market economy between various central departments, ministries, commissions, offices, and localities. Subjective and objective obstacles still exist in the course of implementation and promotion.

6. There are no concrete measures for overcoming, correcting, and resolving the mountain-stronghold mentality, selfish departmentalism, and anarchy in localities and departments. As a result, central policies and measures cannot be comprehensively and correctly implemented in good time.

Hu Jintao said that the Central Committee holds that the fourth session of the party is to solve some practical problems, to discuss and adopt some necessary resolutions, policies, principles, and measures, and to sum up matters which the last plenary session of the Central Committee wanted to resolve or implement, and make those matters clear to the whole party and all the people of the whole country and that the session should not become a mere formality.

Ding Guangen: Central Policies and Principles Are Damaged

Ding Guangen said at the meeting that a major question is how various central departments, ministries, commissions, offices, party committees of various provinces, municipalities, and regions, and leadership of governments should comprehensively and thoroughly understand and grasp central guidelines for work and how they should conscientiously maintain a high degree of unity

with the central authorities. We must take a stand on party character, the state's cause, and the people's interests and conscientiously safeguard the authority of the Central Committee and the State Council. This is a reliable guarantee and foundation ensuring the victory of our cause and our advance toward the new era. It cannot be denied that because of the expansion of individualism, the mountain-stronghold mentality, and anarchy in the leadership of some localities, the implementation of central policies and principles has been damaged. This has resulted in mistakes in work, it has objectively brought instability into society, has interfered and affected to varying degrees the work of the central authorities with construction as the core and progress in reform and opening, and has given rise to perplexities and pressure in the formulation of policies by the central authorities.

Jiang Zemin: Localities Should Maintain a High Degree of Unity With the Central Authorities

When the National People's Congress and the Chinese People's Political Consultative Conference National Committee were in session, Jiang Zemin and other members of the Political Bureau and its Standing Committee separately talked with the number one and number two men of various provinces, municipalities, and regions and stressed that various localities should keep in closer touch with the central authorities, let the central authorities know better what they are doing, have a thorough understanding of the guidelines of the central authorities, and maintain a high degree of unity with the central authorities. Jiang Zemin and Wen Jiabao told leading party and government officials of Sichuan at a meeting on 10 March: The most important thing at present is for various localities to have a thorough understanding of the guidelines of the central authorities and by no means should each go his own way making the central authorities a mere figurehead. Jiang Zemin told leading party and government officials of Shanghai Municipality and Jiangsu Province: From now on, officials of the central authorities should meet officials of various localities more often, keep in closer touch with various localities, let various localities know what the central authorities are doing, and hold more small meetings with localities. We can go to various localities to meet local officials or ask them to come to Beijing for the meetings. This can solve problems faster and more effectively.

This shows that the CPC Central Committee is no longer able to command localities and localities simply do not listen to the central authorities. It is already difficult to implement and carry out central guidelines, principles, or policies, and there are numerous contradictions between the central authorities and localities. Things are like this even when the chief architect is still living. We can imagine how the relations between the CPC Central Committee and various dukes or princes will become once the chief architect has gone to join the premier.

Economic & Agricultural

Spokesman Views First Quarter Economic Performance

HK1804115594 Hong Kong AFP in English 0902 GMT 18 Apr 94

[By Philippe Massonnet]

[Text] Beijing, April 18 (AFP)—China's economy slowed slightly in the first quarter of the year but prices soared, making the government's goal of keeping growth and inflation below 10 percent this year hard to achieve.

Gross domestic product (GDP) rose by 12.7 percent in the first quarter to 862 billion yuan (99 billion dollars), against 14.1 percent in the same period last year, and 13.4 percent for the whole of 1993, according to the state bureau of statistics.

The slowing of the economy is mainly due to weaker industrial growth and more reasonable levels of fixed capital investment, explained bureau spokesman Ye Zhen.

Industrial production rose by 16 percent, compared to 25 percent in the first quarter of 1993, while output in heavy industry grew by 15.3 percent and light industry by 16.8 percent.

Fixed capital investment—largely responsible for last year's overheating of the economy which was controlled by austerity measures—grew by 36.2 percent, or at half the speed of the same period last year.

"Generally speaking, there was a drop in the number of local projects," said Ye.

"Economic growth has indeed slowed slightly, but it is still running well above the eight or nine percent planned for this year, making the government's task practically impossible," said a western diplomat who specializes in economics. That opinion is shared by most Chinese experts, who reckon on 12 percent growth for the year.

"Most worrying is the authorities' inability to control inflation, which is continuing to rise," added the diplomat.

In other comments, Ye said, "the main problem is the price increase," referring to the 20-percent rise in prices across the country compared with just eight percent during the 1993 first quarter.

In the 35 largest cities, inflation measured an average 24.6 percent, with Haikou in Hainan province in the south of the country, posting the worst result of 34.1 percent. Prices in Beijing rose by 24.1 percent, while Shanghai, China's most populous city, reported inflation of 23.3 percent.

Retail sales rose by 25.2 percent, two to three points less than in the first quarter of last year.

"We can control the price rises if the local governments implement the measures of the State Council," said Ye, adding that the income of individuals after inflation still rose by 9.3 percent for city dwellers in the first quarter, and by 13.1 percent for peasants.

The government's other major problem is the unhealthy condition of state enterprises, which only increased production by 2.2 percent. Of these, 49.6 percent have lost money since the beginning of the year, said Ye. Only one third of state firms were in the same situation in the same period last year.

Some saw production decrease because of bad management, while others were hit by fiscal reforms which favour enterprises which perform well, added the spokesman.

But he vowed the government would press on with its liberalisation of the economy. "This year will be the year of reforms," he said.

Official Evaluates Progress of Reform

HK1704070094 Hong Kong WEN WEI PO in Chinese
10 Apr 94 p a2

["Special article" by intern reporter Yang Fan (2799 1581): "Smooth Progress Made in First 100 Days of the Year of Reform—Interview With Feng Bing, Deputy Secretary-General of the State Commission for Restructuring the Economic System"]

[Text] Beijing 9 Apr (WEN WEI PO)—The year 1994, a "year of reform" to Chinese officials, is a crucial one in which the reform of the market economic structure will be conducted in a comprehensive way. In the 100 days from 1 January to 10 April 1994, how have things been going with the various reform measures newly presented? What are the social effects? Facing these questions, Feng Bing, deputy secretary-general of the State Commission for Restructuring the Economic System answered: "Generally, the implementing of various reform measures has been very smooth, and the assessment from top to grass roots is very high."

Feng Bing indicated that over the past 100 days, reform in the macroeconomic regulation and control system has been conducted, including finance, taxation, banking, foreign exchange, foreign trade, and planned investment.

Tax and Fiscal Reform Is in Period of Fine Tuning

He said measures for tax and fiscal reform are basically in operating normally and in a period of fine tuning. From the angle of effects, internal financial revenue in the first quarter markedly increased. Taking January and February for example, internal financial revenue was 50.7 billion yuan, up by 32.1 percent over the same period last year; financial expenditures were 49.15 billion yuan, up by 29.1 percent. Income was 1.55 billion

yuan higher than expenditures. Conditions for the issuance of 12.92 billion yuan of national bonds were sound, and people were vying for their purchase.

In the course of reform, the phenomenon by which some localities and enterprises arbitrarily raised prices by taking advantage of taxation reform surfaced for a time. Aiming at this phenomenon, the State Planning Commission and Taxation Administration jointly published the "Circular on Banning Price Rises By Taking Advantage of Tax Reform," with the State Council's approval, while augmenting propaganda about and explanation of the new tax system and removing some people's misunderstanding of taxing price subsidies, thus enabling a prompt solution to the problem.

Sound Condition in Foreign Exchange Reform

The main contents of reform in the banking structure this year are, namely, augmenting central bank's functions, and implementing separation of banking of a policy nature from commercial banking. Work in this arena is actively under way. As Feng Bing disclosed, at present the central bank is fast recovering banknotes from circulation, with 90 percent of the banknotes issued before the spring festival recovered, and the condition of monetary operation is sound.

Foreign exchange and foreign trade restructuring with the merger of the two-track exchange rates and implementation of the system of foreign exchange settlement and selling of foreign exchange as the main contents were originally a cause of anxiety because of many uncertain factors and greater risk. However, in the 100 days since the new structure was implemented, progress has been smooth, and conditions are better than expected. The only trouble came in foreign exchange coupons; because of insufficient consideration of the issue, some stores allowed a price hike of goods to be purchased with foreign exchange coupons exclusively. This resulted in a run on foreign exchange coupons and panic buying with them. Later, responsive measures were adopted, and the problem was promptly pacified. The market exchange rate has all along been kept at the comparatively rational level of 8.7 yuan against the dollar. Feng Bing believes that in view of the import-export situation and the revenue and expenditures in foreign exchange, it is entirely possible to stabilize the exchange rate at the present level through regulation of the foreign exchange market.

The planned investment structure is under reform according to the original plan. The "change from fund allotment to loans" is being converted to the "change from loans to investment." The train of thought of plural investment bodies has already been set, with major foundation work completed. However, it will take some time to shape the system.

Reform of the modern enterprise system has not yet spread on a wide scale as of today, and is still in an experimental phase, with 100 enterprises carefully

selected for the experiment. The chief hurdles to enterprise transition to the modern enterprise system are, first, excessive social burdens; second, excessive overstaffing; and third, heavy debt burdens. Feng Bing believes the solution to those problems primarily calls for the enterprises' own efforts; however, support and help from governments at all levels are also indispensable.

Socialist Market Economy Said To Benefit Minorities

OW1504155294 Beijing XINHUA in English 1420 GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—China's drive to build a socialist market economy has brought new opportunities and prospects for the people of minority nationalities and the economy in the areas where they live.

Ismail Amat, minister in charge of the State Nationalities Affairs Commission, told a press conference today that the economic construction in the ethnic areas has achieved success since China adopted its reform and opening-up policy 15 years ago.

Ismail, who is also a state councillor, said that the gross domestic product in such areas in 1993 increased by 11.9 percent from the previous year—the highest growth rate since 1985.

The volume of foreign trade in such areas last year was up 41.8 percent from the previous year, to more than 5.7 billion U.S. dollars, he said.

Ismail said that China has further opened its border areas, where a large part of China's minority nationality population lives, resulting in a boom of border trade. He added that the regions have been utilizing an increasing amount of foreign investment.

He told reporters that the country has newly opened 43 national-level inland outlets, and 34 of them are in the areas inhabited by people of minority nationalities, in addition to 190 regional-level ones they already have.

He said that the living standards of the people in those areas have been significantly improved over the past years, with the per capita income for farmers and herdsmen rising from some 70 yuan in 1978 to more than 600 yuan last year.

Against the backdrop of intensified ethnic and religious conflicts in some parts of the turbulent world, China has foiled sabotage attempts of hostile elements in the world and separatists both at home and abroad, the minister stressed.

He said that the towns and cities in the border areas inhabited by minority nationality people have become the frontier of China's opening-up drive, as the country offers more areas for foreign trade and business in a strategy called comprehensive openness.

The past 15 years of reform and opening-up has considerably strengthened the economic muscle in those areas and accumulated precious experience, which, in turn, has provided sound material, social and ideological conditions for further developing such areas, the official said.

He indicated that the establishment of a socialist market economic regime will help bring the advantages and vitality of the areas into better play.

As the overall national strength and macro-economic control capacity grow, the government will become more capable of assisting the underdeveloped areas so as to help them catch up with the rest of the country, Ismail said.

He said that the unity of the country's nationalities and their increased contacts and communications have combined to create a harmonious environment both for the developed east and the underdeveloped west to make up for each other's short points and accomplish common development.

He added that social stability, particularly in the minority nationality-inhabited areas, has formed a sound basis for economic progress and the expansion of reform in such areas.

Ismail said the government will commend those individuals and collectives contributing to the unity and progress of all nationalities in September at a national meeting.

Meanwhile, in-depth research will be carried out to study ways to promote the cause of national unity and progress in the process of building a socialist market economic system.

Article Views Expansion of Domestic Enterprises

HK1804074394 Beijing CHINA DAILY in English 18 Apr 94 p 4

[Article from the "Opinion" page by Bian Hongwei: "Market Takes State Firms on Roller Coaster Ride"]

[Text] Domestic enterprises are mushrooming throughout China, driven by double-digit economic growth during the past two years.

But many inefficient enterprises have been forced out of operation by the heat of market competition, according to the State Administration for Industry and Commerce (SAIC).

By the end of 1993, the total number of domestic enterprises had reached 7.3 million, up by 25.2 per cent from the previous year.

It's purely the survival of the fittest. Some 341,000 firms went under last year, an increase of 32.2 percent over 1992, a SAIC report says.

Undoubtedly, the strong economy has formed the fundamental impetus for the growing number of new domestic enterprises.

The SAIC's drive to simplify startup procedures for new firms, launched at the end of 1990, has also contributed to the increase, said Liu Junchen, in charge of enterprise registration under the SAIC.

To date, all provincial-level local branches of the administration have been authorized to register local enterprises.

However, those involving the pillar industries or concerning the nation's long-term interests such as military, cigarette production and transportation, still must wait for green lights from SAIC to open their own businesses, Liu added.

The increase of new firms in 1993, whether State-owned or privately-funded, is also eye-catching. An astonishing 113.3 per cent increase over the previous year created 552,000 new companies.

Economic reform in the past decade led to a flexible system for free flowing property rights. This is vital to break through the rigid criteria defining enterprises according to their ownership. That is to say, State-owned, collective-run, or privately-funded ones, Liu said.

The central government has started about 100 large and medium-sized State enterprises as pilots for their shareholding reforms. At the same time, local Governments selected pilot projects in their own areas. State, collective and individual businesses enjoy the same rights if they hold the same number of shares in the pilot firm.

In line with this trend, experts say it is better to use the term "State economy" rather than State-owned enterprises, leaving market forces to determine the fate of State or privately-funded businesses.

Recently, private businesses experienced marked growth. Furthermore, the recent National People's Congress session has also underlined the importance of a buoyant private sector.

Traditionally, the country carried out a pyramidal approval system for registering enterprises with the State Council and NPC at the top.

Under the rigid rubber-stamp system, it was very hard to open a new firm. And even when government finally approved a business, many found it difficult to survive, let alone make a profit, because they could not get their products to market quick enough. When this happened, it was the responsibility of the government to make up the economic losses.

Fortunately, it realized the problem and decentralized power for registering enterprises to local branches.

With the simplified procedure, it is much easier to access the market economy. This will lift the economy in the long run, said Liu.

Many firms are borrowing money when they apply for registration to look like "fat cat."

Ironically, once they finish registration, the enterprises immediately return the money they have borrowed, leaving a nearly empty bank account to run the business.

To reverse the situation, the SAIC decided to set up a nationwide supervision system to carry out random checks on firms' registered capital to guarantee the money is being used in the operation of the firms, the SAIC official said.

Liu said the market system had played an important role through wielding its "invisible hand," causing many firms to go belly up last year.

Since all enterprises are equal in market competition, only fit firms can survive.

Without financial support, many unprofitable State enterprises find it difficult to make ends meet.

And those who failed to transfer their management mechanism in time have to face the music—bankruptcy or be taken-over by a more efficient business.

Both the government and enterprises in red usually choose the latter, said Liu, as it is easier to continue using facilities of merged firms and to settle down employees of the once money-losing industries.

As the central government took measures last year to safeguard sustained, healthy and speedy economic growth, many financial businesses with poor management were ordered to close.

With the intensified anti-corruption campaign, many enterprises run by the government were ferreted out and ordered to stop their operation.

To ensure a healthy real estate market, the central government checked businesses within the sector and closed those deemed to be substandard.

Futures markets are another important aspect that the central government decided to reign in.

To achieve its goal, the central government campaigned at the end of last year to get businesses involved in futures markets for reregistration. Those who failed to observe the rules were ordered to stop operation.

Recently, the government announced that no new businesses on the futures market would be registered this year, so as to focus their work on rectifying the order of the present futures market.

Rural Commodity Markets 'Beginning To Take Shape'

OW1504141594 Beijing XINHUA Domestic Service in Chinese 0217 GMT 13 Apr 94

[By reporter He Jingsong (6320 0513 2646)]

[Text] Beijing, 13 Apr (XINHUA)—China's commodity markets are beginning to take shape. The nation now has over 100,000 commodity markets of all descriptions, and the ubiquitous spot markets and specialized markets in urban and rural areas are playing an important role in the national economic development.

According to statistics, the nation has now 53 national commodity trade centers and large wholesale markets; over 76,000 urban and rural trade markets, including 1,600 wholesale markets of agricultural and sideline products; and over 3,000 small industrial goods trade markets, including 400 wholesale markets.

These markets have created a primary network of all kinds of markets at all levels. While a main framework comprising primary, regional, and national markets has been formed for grain trade, a structure made up of large, medium, and small markets around wholesale markets has been created for vegetable and fruit distribution. Under this structure, markets in areas of production, transshipment, and consumption are coordinated. For industrial consumer goods, in addition to all kinds of wholesale markets, there are also meetings for trade negotiations, commodity trade fairs, and markets which also provide storage services and engage in wholesale and retail businesses. Chain stores have appeared in Beijing, Tianjin, Shanghai, and other large and medium cities. The traditional integrated and spot markets of capital goods are gradually developing into specialized markets engaging in intermediate and long-range contract trade, and they are gradually becoming major avenues of resource distribution.

As most of China's capital goods and means of livelihood are being distributed through nationwide networks of commodity markets, market regulation is gradually expanding both in scope and proportion. Currently 90 percent of industrial consumer goods and 85 percent of capital goods are sold at prices determined by market supply and demand. Meanwhile, collective and independent enterprises have joined supply and marketing organs and networks of state-owned distributors and producers in demonstrating their abilities in the sphere of distribution. This has created a distribution pattern characterized by the distribution of all types of commodities and services through all kinds of channels. While state-owned distributors are fully market-oriented, enterprises in charge of supplies have geared over 90 percent of their operations to market forces. Commodity markets' trading and management are beginning to be standardized and institutionalized. The management of the large trade centers and large wholesale markets by administrative committees, boards of directors, and

boards of supervisors has expedited the commodity markets' healthy development.

Regulations Issued for Textile Quota Bidding

HK1604030094 Beijing GUOJI SHANGBAO in Chinese 1 Mar 94 p 2

[Report: "Detailed Regulations Governing Bidding for Export Quotas for Ramie Yarn, Ramie Cloth, and Bleached Cotton Cloth"]

[Text] Article 1. These regulations have been formulated on the basis of the "Procedures for Bidding for Export Commodity Quotas (Trial Implementation)." Article 2. The scope of bidding for textile quotas covers the following three commodities:

1. Ramie yarn (including semi-finished pure ramie yarn and other blended fabrics containing more than 55 percent ramie).

2. Ramie cloth (pure ramie grey cloth and all types of blended fabrics containing more than 55 percent of ramie).

3. Bleached cotton cloth Article 3. The Committee for Inviting Bids for Textile Quota [Bids Committee] will be established under the China Chamber of Commerce for Importers and Exporters of Textiles and will be responsible for quota bids. The Bids Committee will establish a Bids Inviting Office to handle the day to day work of inviting bids. Article 4. The competitive bids method (i.e., open bids) will be adopted for all commodities specified for textile quota. Article 5. Qualifications of Bidders:

1. Import and export companies and manufacturers (limited to the scope of their own products) authorized to handle foreign trade by the PRC Ministry of Foreign Trade and Economic Cooperation [MOFTEC] and who are members of the China Chamber of Commerce for Importers and Exporters of Textiles.

2. Foreign investment enterprises (limited to the scope of their own products) authorized by MOFTEC to deal in the export of commodities specified for textile quota and who are members of the China Association of Enterprises With Foreign Investment.

3. Import and export companies which have dealt in the barter and export trade of textile commodities with the former Soviet Union and Eastern European countries (including the DPRK, Mongolia, Laos, and Vietnam) from July 1992 to March 1994 and have been examined and approved by MOFTEC.

Any company or enterprise meeting any one of the conditions stated above is eligible to bid. Article 6. Contents of bid: Quota quantity and quota price. Article 7. The total annual quantities for bidding for textile commodity quotas (including all types of export enterprises and all kinds of trade) will be determined by MOFTEC. The Bids Committee will arrange for the

bidding in different stages within the total annual bidding quotas determined by MOFTEC. Should changes in the world market call for adjustments to the total annual bidding quotas, the Chamber of Commerce for Importers and Exporters of Textiles will make proposals for the approval of the Bids Committee and to be evaluated and determined by MOFTEC. Article 8. Number of bids:

In principle, bidding will be held twice annually. The first bidding will take place in September for 60 percent of the total annual quota for the following year. The second bidding will be conducted in March for the remaining 40 percent of the annual quota, with the quotas being valid for that year. Article 9. Working procedures:

1. The Bids Committee will issue notices in GUOJI SHANGBAO concerning the bidding for textile commodity quotas.

2. Issuing of the "Bid Application":

A. "Bid Applications" will be issued by the Bids Inviting Office.

B. All bidders will obtain "Bid Applications" from the Bids Inviting Office and complete them as requested and return them in good time.

C. In each bidding session, each enterprise will be allowed to make only one bid for quantity and price for the same commodity specified in the textile quota.

3. Mailing "Bid Applications":

A. All enterprises will send the completed "Bid Applications" to the Bids Inviting Office within the prescribed period.

B. The date of actually receiving the "Bid Application" by the Bids Inviting Office will be the official date of receipt. The Bids Inviting Office will refuse to accept those "Bid Applications" submitted after the prescribed date.

C. Upon receiving the "Bid Applications," the Bids Inviting Office will immediately register them and seal them up for safe keeping.

D. The following documents should also be provided together with the "Bid Applications":

i. Membership certificate of the Chamber of Commerce for Importers and Exporters of Textiles;

ii. The actual export volume for the previous year;

iii. A copy of the certificate showing the amount of foreign currency the enterprise received during the previous year; and

iv. Production enterprises and foreign-funded enterprises must also submit forms stating the actual production output in the previous year of commodities specified for export quotas.

Photocopies of the abovementioned documents will be acceptable.

4. Awarding bids:

In accordance with the valid "Bid Applications" from the enterprises, the Bids Committee will award the winning quota quantities and winning quota prices to the winning bidders Basis for awarding:

A. Bidders must meet the qualifications stipulated in Article 5.

B. Bidders will win when their bid prices are higher than the average bidding price of all the bidding enterprises.

Total bidding quota price X bidding quantity

Average bidding price = _____

Total bidding quantities of all bidders

C. The bidder's foreign exchange settlement price for its exports will not be lower than the negotiated price set by the Chamber of Commerce for Importers and Exporters of Textiles.

D. The production enterprises and foreign-funded enterprises will export only products produced by themselves and not by other manufacturers. The bidding quantity of a production enterprise will be within its own actual production output. The maximum bidding quantity of a foreign-funded enterprise will not exceed the export scale ratified by MOFTEC.

If the bidding production enterprises and foreign-funded enterprises are found to export products other than their own manufactured products their bidding and transfer qualifications will be cancelled for 3 years.

E. The Bids Inviting Office will destroy those bids whose prices are out of line with the normal level of the "Bid Applications." 5. Winning bids:

A. All bidders who have met every requirement for the awards will be bid winners.

B. The allocation of winning quantities will be calculated in accordance with the following formula:

C

A = B x - where:

D

A is the quantity awarded to each winning enterprise;

B is the total quantities of commodity quotas offered for current

bidding;

C is the bidding price X bidding quantity of the enterprises; and

D is the total bidding prices X bidding quantities of winning

enterprises.

When the winning quantity calculated according to the above formula is bigger than the actual bidding quantity of a bidder, the actual bidding quantity of that enterprise will be the quantity won by that enterprise. The remainder of the total bidding quantity under this formula will be allocated to those whose total bidding quantities have not been met in the order of the highest prices offered in their bidding.

C. The actual cost paid by the winners will be calculated in accordance with the following formula:

Total Cost = quantity awarded X bidding price. 6. The opening of bids:

A. The Bids Committee will, within 10 working days after the deadline, complete the work of awarding and submit the results of the awards to MOFTEC for the record.

B. The Bids Committee will publish in GUOJI SHANGBAO the namelist of the winners and will also notify the winners direct.

C. Whenever any fraud or violations of these Regulations during the course of bidding are discovered, MOFTEC has the right to veto the results. 7. Payment for winning bids:

A. Within 15 days of the date on which the Bids Committee publishes the namelist of winners, the winners will pay a 10 percent advance of the winning quota costs to the bank account designated by the Bids Inviting Office as guaranty money for using the quotas. Upon receipt of the payment, the Bids Inviting Office will send certificates of successful bidding to the winners and issue receipts for the payment. When winners fail to make payment within the specified time, the Bids Inviting Office will regard the bids as null and void and cancel that enterprise's quota bidding and transfer qualifications for one year.

B. Before applying for an export license, winners will clear the payment of quota expenses for the licensed quantity with the Bids Inviting Office (i.e. quantity licensed X bid price X 90 percent). With the "Quota Certificates for Textile Quota Bids Commodity Export Licenses (in lieu of receipts for quota application payments), the winners will obtain export licenses from the issuing organization, which will keep one copy for the record.

C. The guaranty money paid in advance will be cleared when a final license has been issued.

Article 10. Export licenses.

Basis for issuing export licenses:

1. Certificate for Export Textile Commodity Quota (in lieu of receipt for payment of quota application costs);
2. Export contract price (not lower than the negotiated price agreed by the Chamber of Commerce for Importers and Exporters of Textiles). Article 11. Transfer of Quota

1. When a winning enterprise is unable to use all the quantity it has been allocated for certain reasons, it will submit a written application five months before the end of the validity period of the quota to the Bids Inviting Office, stating its reasons and the transferable quota quantity. Transfer of quota is allowed upon approval by the Bids Inviting Office but quota transfer fees will be paid as transfer handling fees (i.e., transferable quota quantity X bid price X 5 percent).

2. Winning enterprises and those enterprises qualified to bid but have failed to win can submit written applications to the Bids Inviting Office should they wish to increase or receive quota quantities, stating reasons, quota price, and the required quota quantity. Upon the approval of the Bids Inviting Office, they will be eligible to accept quota transfers as transferees.

3. Transfer of quotas will be conducted by the Bids Inviting Office using a computer, giving preference to early applicants and the highest prices offered. Any transfer among enterprises at their own discretion is prohibited.

4. Upon the approval of transfer by the Bids Committee, the Bids Inviting Office will be responsible for completing procedures of transfer and will issue quota transfer certificates to both transferors and transferees. Article 12. Handing over quotas.

When winners are unable either to execute export contracts or transfer quotas for certain reasons, they may hand their quotas over to the Bids Inviting Office which will repay a portion of the guaranty money depending on the time of handing over the quotas. For quotas turned over five months or more in advance of the final quota validity date, 50 percent of the guaranty money for the quotas handed over will be repaid; 40 percent will be refunded for quotas handed over four months in advance; 30 percent refunded for quotas handed over three months in advance; 20 percent refunded for two months in advance; and no refund will be made for quotas handed over less than two months in advance of the validity date.

During the next bidding, the Bids Committee will reduce the winning quantity for that enterprise according to the proportion of that enterprise's quantities of quota won and handed over. Article 13. The Bids Inviting Office, with the approval of the Bids Committee will cancel the winning enterprise's right to bid and transfer for the following year if the enterprise fails to use its winning quotas within the specified time or does not transfer or

hand over its quotas to the Bids Inviting Office. Article 14: If a winner is found to have transferred its quotas at its own discretion without the approval of the Bids Inviting Office, its right to bid and transfer will be canceled for two years. Article 15: When a winner's foreign exchange settlement price for its exports is discovered to be lower than the price negotiated by the Chamber of Commerce for Importers and Exporters of Textiles, that enterprise's right to bid and transfer will be canceled for three years. Article 16: Upon declaring to Customs the export of its winning quotas, the enterprise will, within one month, submit the export license stamped with the official Customs seal (one copy to be kept by the enterprise) to the Bids Inviting Office which will be responsible for verifying the statistics and reporting to the Bids Committee on the enterprise's execution of the contracts and quota applications, so that the Bids Committee can manage and supervise the export of textile quota commodities. Article 17: These regulations will be implemented upon the approval of MOFTEC. Article 18: The Bids Committee will be responsible for the interpretation of these regulations.

Some Export Quotas To Be Allocated By Bid

HK1704073194 Hong Kong ZHONGGUO TONGXUN
SHE in English 0433 GMT 16 Apr 94

[Text] Beijing, April 16 (CNS)—A trial practice with public bidding for the allocation of quotas for certain export products will be included in some relevant regulations soon to be promulgated, according to the Ministry of Foreign Trade and Economic Cooperation.

Import and export companies having rights to foreign trade with the approval of the ministry and which are also members of commercial associations for import and export, production oriented enterprises and foreign-funded enterprises will be allowed to enter the bidding.

Enterprises making successful bids cannot make use of the quota to transfer the quota with payment to other enterprises within a stated period of time without prior consent from the authorities. A particular enterprise which makes such a transfer has to pay the charges for the transfer which must be carried out in a specific place designated by the authorities. Overcounter [as received] transfers will be strictly prohibited and the transferee enterprise has to meet the conditions required for the bidding of a particular commodity. No further transfer of the quota will be allowed.

Enterprises which find it difficult to meet the obligations required in foreign trade nor able to transfer the quota they won, have to submit the quota to the bidding office within a stated period of time. [sentence as received] The quota received will be included in the next bidding. Part of the expense of the bidding will be refunded to the enterprise returning the quota.

Enterprises will not be qualified for the next bidding if they fail to make use of the quota they won, did not make a proper transfer or submitted the unused quota to the

bidding office within a specific period of time. They will also lose their qualification for bidding in the following two years if they make a transfer of quota which they won by bidding without prior consent from the bidding office.

State Enterprise Files for Bankruptcy in Shanghai

HK1804070594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 4

[Daily News: "State Firm Files for Bankruptcy"]

[Text] For the first time a State factory in Shanghai has filed for bankruptcy, and 10 more enterprises, including a joint venture, are expected to follow suit.

Shanghai No 2 Webbing Factory recently filed for bankruptcy in a local court, marking the start of a readjustment of State-owned assets. This is a crucial step in the deepening of economic reform, designed to increase the value of State property.

The factory is the first State enterprise in the city to ask for bankruptcy.

In the 1980s, local courts heard the first case of bankruptcy involving a collective enterprise. From 1992 to 1993, more than 50 township enterprises and service ventures filed for bankruptcy.

In the last few years, some State enterprises in the city have continued to lose money despite the thriving economy.

From January to November last year, according to the Municipal Economic Commission, the State-owned assets of local industrial enterprises totalled 118.8 billion yuan (\$13.66 billion) and their gross liabilities totalled 87.8 billion yuan (\$10.1 billion).

This liabilities ratio of 73.9 per cent is much higher than the world level for industrial enterprises of 50 per cent.

Local economic analysts believe the time is ripe for the bankruptcy law to be applied to industrial money losers. This will guarantee the real value of national assets by accelerating property transfers and exchanges, they say.

Seminar Calls For Improved Credit Rating System

HK1804064694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 3

[By Liu Weiling: "A Better Credit-Rating System is Deemed Essential"]

[Text] Credit evaluation, a young industry that emerged in China only several years ago, is set to play an ever important role in the country's accelerating drive toward a market economy.

According to a recent seminar in Hainan Province on the development of China's credit rating industry, demand

for authoritative credit assessments and a reliable rating system is becoming increasingly urgent.

However, officials and experts attending the seminar said many factors hinder the development of the budding industry.

Among the obstacles to development are that:

- Many of the rating companies were launched by the People's Bank of China or other specialized banks, which makes it difficult for these companies to be independent when issuing ratings;
- Although the major business of rating companies is grading the credit of corporate bonds, the issuance of such bonds still remains a small trade and development of the bond market lags behind that of the stock market;
- Interest rates on corporate bonds have little relation to companies' credit worthiness because interest rates in China are set by the government, not the market. This reduces the value of a credit rating;
- The business of credit evaluation is essentially limited to bonds, stunting its development;
- A reliable management system and standard rating indices have not been established. China has no special organization to monitor the qualifications of rating companies;
- Asset evaluation is stealing the limelight while credit rating is neglected by both investors and the government;
- Some of the rating companies sprouting up across the country are unqualified. What China needs is not many new rating companies but national, even international, companies that are experienced and authoritative.

Experts are calling for tightened management to ensure that the industry develops properly.

The People's Bank of China should supervise the industry while an association of rating companies should be established, according to Shen Lizhong, a member of the Nanjin Credit Rating Committee.

Shen also urged authorities to strictly examine the qualifications of companies.

Meanwhile, experts say the rating companies must be independent of government, financial organizations, and enterprises and institutions that plan to issue bonds.

And experts say interest rates of corporate bonds should be set according to credit grades.

In addition, standard credit rating indices suitable for China should be established, according to You Liansheng, an expert from Shenyang.

You also said the rating business should be expanded from appraising bond credit to evaluating the credit of enterprises, financial institutions, stocks and various capital projects.

Bank Issues Moratorium on New Investment Funds

HK1804064294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 1

[By Xiao Kan: "Moratorium on New Investment Funds"]

[Text] The massive development of investment funds will be suspended this year to ensure the country's financial situation continues to improve.

The People's Bank of China, the country's central bank, will not give the green light for new funds at least in the first half of this year, said an official with the bank.

He said the bank would probably approve one or two funds after July if financial conditions improve.

But it is impossible to see a lot of new funds emerging this year," he said.

The central bank has informed all provinces that no fund can be issued or listed without approval from the bank's head office.

At present, about 200 funds involving 30 billion yuan (\$3.45 billion) are applying for final approval from the central bank, which supervises and regulates the country's investment funds.

The official said the funds were suspended to prevent too much capital being drained away from treasury bonds and savings deposits.

China plans to issue 100 billion yuan (\$11.5 billion) worth of bonds this year.

Starting this year, bonds will be the government's sole method for paying off the national budget deficit—estimated at 60 billion yuan (\$6.9 billion) for this year.

The country last year had planned to allot 3 billion yuan (\$345 million) to investment funds. However, the shortage of capital forced authorities to postpone the quota plan to ensure enough financing for the country's key construction projects.

But the suspension this year will not include foreign-related funds since they don't attract domestic capital, the official said.

Many domestic institutions have co-operated with partners abroad to set up overseas-based funds to invest in energy, power and high-tech industries.

The official said China this year will concentrate on standardizing existing investment funds to lay a firm foundation for future development.

China's first investment fund was born in 1991. The country now has 50 funds involving 4.5 billion yuan (\$517 million), but only four have been approved by the People's Bank of China.

Many of the funds have violated the State's policy of strictly controlling investment in fixed assets, he said. In addition, some capital raised by the funds are used in filter-bank lending and speculation in real estate.

The official said the central bank will try to steer these funds toward investing in treasury bonds.

The official said the central bank is drafting regulations on the management of funds and expects to issue them in the first half of this year.

Chinese scholars have been urging the State to develop investment funds as an important tool in stabilizing the stock market, since most engage in long-term investment instead of short-term speculation.

The funds also offer punters a new form of investment and allow them to play the stock market more safely.

Foreign Investment Sought To Develop Power Industry

HK1804064094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 1

[By Chang Weimin: "Powerful Priority"]

[Text] China is to target financial transnationals for capital to beef up its overburdened power sector to break the economic "bottleneck" hindering development.

The country, which has suffered shortages of electricity for two decades, expects at least \$25 billion to be invested in the sector in the next seven years.

Delegations will be sent to Western nations this year with proposals for co-operation, said an official with the Ministry of Power Industry.

Power production has become a key attraction for foreign investors over the past two years and several overseas-financed power plants have been announced.

"Big breakthroughs in foreign investment are expected," the official, who declined to be identified, said in an interview with Business Weekly last week.

China can produce up to 181 million kilowatts. Experts estimate that 25 percent more capacity is needed to satisfy the booming demand.

Power Industry Minister Shi Dazhen last week began a 17-day trip to France, Spain and Israel to bring in investment.

China expects 9 per cent economic growth for the next seven years. To achieve that goal, additional generating capacity of at least 120 million kilowatts must be installed by the year 2000.

That means an average 17 million kilowatts of generators should be installed each year.

The government plans 12 million kilowatts for this year, but financing has not been fully-arranged. Some 10 billion yuan (\$1.15 billion) of the 66 billion yuan (\$7.6 billion) needed is not available.

Ministry officials said the capital shortage will probably be eased later this year as the central government gives the sector top priority and the new State Development Bank begins supporting construction of infrastructure.

But they pointed out that bigger problems lie ahead. Fewer projects were kicked off last year than were expected and no projects have been approved so far this year. Big power plants that are planned may not be completed, they said.

This scaled-down construction, they caution, would jeopardize long-term economic growth.

The government does not want to let big capital construction projects drive up inflation, which in the first two months of the year stood at 20 percent. Building a large power plant requires billions of yuan.

Plants with total capacity of 53 million kilowatts are under construction, but that is at least 7 million kilowatts less than expected.

At the same time last year, 54 million kilowatts were under construction.

Officials warn that if enough investment is not found, construction would further shrink.

In France, Shi is expected to sign an agreement with the French power sector to extend a 10-year power co-operation treaty that expires this year.

The minister, leading five key officials from the ministry, is to explain China's energy policies to the French Government and business community, discuss possibilities for further co-operation, and learn about French corporate management.

Coming on the heels of French Prime Minister Edouard Balladur's visit to China, the mission is expected to be fruitful, trade analysts said.

Balladur's visit was described as a turning point, following about four years of relatively cool relations between the two countries.

Shi's visits to Spain and Israel are also considered important. A Western European power union is based in Spain, and Israel has ties with financial organizations worldwide.

China is also to rely on foreign power groups for know-how to improve its efficiency.

The Ministry of Power Industry said late last year that China would need \$25 billion in foreign investment by the year 2000 to generate enough electricity to support its economy.

State To License Architects, Improve Supervision
HK1804071094 Beijing CHINA DAILY in English 18 Apr 94 p 1

[By Li Hong: "State Bid to Improve Builders, Architects"]

[Text] A plan to license architects and improve the supervision of building projects is being launched by the Ministry of Construction.

The plan is being started to improve the quality of construction in China, said a ministry official at the weekend.

And the licensing scheme has been tested successfully in Northeast China's Liaoning Province.

It is expected to be introduced nationwide soon, said the official.

The first examination for architects, an indispensable part of the licensing scheme, is planned for later this year, he added.

The trial in Liaoning has been done in line with international practice and includes the appraisal of an applicant's academic qualifications, professional training and achievements.

Only licensed architects are allowed to bid for contracts, the official said.

The move had come after years of chaos in the profession. Unqualified people were able to practise and architects' rights and responsibilities had long remained vague.

Designs used to be done by State-owned institutes instead of architects.

This lack of organization has crippled many architects' creativity and enthusiasm. And moves to improve standards have so far been very slow, said the official.

The new system, he said, aims to bring standards sufficiently high that they will be recognized in other countries and regions.

Several countries, including the United States, have yet to acknowledge Chinese architectural qualifications.

At the same time, the ministry is to expand its building-control system to all projects in China.

Supervisors will make sure projects' quality, progress and finances tally strictly with the contracts, the same official said.

Under the old planned economy there were frequent lows between owners and contractors over poor construction quality and delayed payments because there was no supervision of their contracts.

About 15 per cent of China's construction products are said to be substandard last year, while building firms were owed 20 billion yuan (\$2.3 billion), causing more and more distress for project owners and contractors, said the official.

The supervision system was first brought in to cover the Beijing Tianjin-Tangu Expressway and hydro-electric power stations in Guangxi Zhuang Autonomous Region in the late 1980s.

Now, many construction projects, including the Guangzhou metro system, the new Beijing railway station and the gigantic Three Gorges Dam project, are endorsing it.

Ministry officials say they plan to bring the new system into housing projects as complaints have been rising.

The Shanghai-based Wen Hui Daily (WEN HUI BAO) reported last week that up to 60 per cent of the city's new homes leak.

Pollution Charges System To Be Improved
HK1804071494 Beijing CHINA DAILY in English 18 Apr 94 p 1

[By Zhu Baoxia: "Nepa Reveals \$1.6m Pollution Fine Scheme"]

[Text] The National Environmental Protection Agency (Nepa) yesterday announced a \$1.6 million plan to improve China's pollution charges system.

The two-year project involves a pollution study and aims to work out new charges for offenders, said Lu Xinyuan, deputy director of Nepa's supervision and development department.

It is being financed by a \$1 million loan from the World Bank and 5 million yuan (\$600,000) from central and provincial governments.

All enterprises are to be taxed for emitting sulphur dioxide before the end of the year and they will have to pay for discharging solid waste next year.

Lu said the measures would help curb the spread of acid rain which is caused by sulphur dioxide.

Acid rain damages crops, forests and buildings and costs China an estimated 16 billion yuan (\$2 billion) a year.

It is currently spreading from Southwest to East China, the official said.

The country first adopted pollution charges in the late 70s.

And 30 provinces, autonomous regions and municipalities have levied charges on 113 pollutants.

More than 200,000 enterprises nationwide have paid a total of 18 billion yuan (\$2 billion) in the past 15 years.

Last year, they paid 2.7 billion yuan (\$310 million)—more than 10 times the figure in the late 70s.

The charges have been used to subsidize the control of key polluted areas.

And they have covered 6 per cent of the country's total spending on the control of industrial pollution.

Studies into the uses of pollution charges in 24 large and medium-sized cities showed 796 million yuan (\$139 million at the old exchange rate) had been levied on 3,901 enterprises in seven years.

This cash, plus government investment, funded the construction of more than 7,000 pollution-control projects nationwide. They were designed to treat 794 million tons of waste water and 199.1 billion cubic metres of waste gas a year.

Demand for Agricultural Production Materials Viewed

HK1804070894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 8

[By Xiao Wu: "Needs Grow Down on the Farm"]

[Text] Despite the wider use of scientific products on Chinese farms, domestic supplies of agricultural production materials should generally meet demands this year, agricultural officials say.

Sources in the ministries of Agriculture and Internal Trade disclosed a string of figures on domestic demand this year for chemical fertilizers, pesticides, insecticides, herbicides and plastic film for farm use.

In 1994, farmers may need 125 million tons of chemical fertilizers, for which officials have fully prepared by stocking ample reserves.

But the officials predict that the prices of various fertilizers will climb marginally in the autumn, when most of the country's grain and cash crops are harvested and farmers are likely to be in a buying mood.

To prevent severe damage to crops by pests and insects, the domestic demand for pesticides will stand at around 210,000 tons this year. Of this, insecticides will account for 150,000 tons.

Animal husbandry is the major customer of the herbicide industry, which predicts demand of at least 30,000 tons.

Agricultural officials say that this year the supply of domestically made pesticides will still exceed demand, as it did last year.

But the supply of imported high quality pesticides—which are highly effective, less poisonous to humans and more degradable once used—will lag behind the strong domestic need, they added.

The demand for plastic film for all-season agricultural production, along with greenhouses, has increased steadily. This year demand for such film should remain at 520,000 tons, the same as in 1993.

The central government has vowed to give strong support to the domestic trade and the importers of agricultural production materials.

It intends to relieve farmers' anxiety about the supply, prices and quality of production materials.

The government will also allow more dealers to trade in fertilizers, a business traditionally monopolized by government.

Last year, gross domestic sales of agricultural production materials amounted to 69.3 billion yuan (\$8 billion), down 4.09 percent from 1992.

Farmers are encouraged by the government's support, and are determined to have a more productive year than 1993.

Last December, a traditionally sluggish time for agricultural production, sales of fertilizer, pesticide and plastic film all rose more than 50 per cent from the same period in 1992.

Agricultural Bank To Expand Farm Loans

HK1804064494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 3

[By Wu Yunhe: "Farm Loans Due To Grow Hefty 28 Percent This Year"]

[Text] The Agricultural Bank of China vows to help the government rack up a 4 per cent rise in loans earmarked for farming this year.

As China's leading financial arm for rural investment, the bank plans to lend more than 29 billion yuan (\$3.3 billion) to farmers for their production this year, up 28 per cent from 1993.

Loans affecting farm production still receive top priority in lending policy decisions taken at the bank. However, the government-set schedule for separating commercial banking from policy banking will eventually make the bank's practices more commercial. Mandatory lending will be turned over to the soon-to-be-created Agricultural Development Bank.

The bank is responding to the government's call for ensuring that loans earmarked for agricultural production account for at least 10 per cent of the country's total bank credits in 1994, up 4 percent from last year.

To cope with the growing demand for capital from the countryside, the bank officials said, the bank's arranged loans this year also include 4 billion yuan (\$460 million) in poverty alleviation loans and 2 billion yuan (\$230 million) for comprehensive agricultural development.

Starting this year, the Agricultural Bank will also strongly back construction in the country's 500 centrally-controlled grain production centres and the 150 State-controlled high quality cotton-growing counties, bank officials said.

Ma Yongwei, president of the bank, predicted inflationary pressure in 1994 will exert greater pressure on farmers to cut production costs.

If inflation remains at last year's level, he said, it will stimulate a spiralling of agricultural prices as well as a higher demand for bank loans.

In addition, Ma added, the disparity between available capital and the demand for credit will widen this year, as the Agricultural Bank must shoulder a heavier burden in buying State treasury bonds and co-operated bonds.

Official figures show that during the first quarter of this year the bank lent nearly 20.1 billion yuan (\$2.3 billion) to farmers for their production, two times more than in the same period of 1993.

The bank's major branches in Beijing, Shanghai, Wuhan, Tianjin and Nanjing expanded their agricultural loans by 300 million yuan (\$34.5 million) to 500 million yuan (\$57.5 million) each during the January-March period, a busy season in the agricultural calendar.

This was backed by a considerable increase in the bank's personal savings deposits, which jumped 23.8 billion yuan (\$2.7 billion) over a year ago.

Officials Turn to Market To Modernize Railways

HK1804070794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Apr 94 p 8

[By Xie Yicheng: "Market Can Oil Wheels of Rusty Railways"]

[Text] To meet the demand for more and better railway cars, the country will rely on manufacturers to act as the locomotive pulling the highly-centralized rail system into market-oriented reforms, according to a senior government official.

Only the rigors of a market economy can help the industry out of its plight, Fu Zhihuan, Vice-Minister of Railways, said in Beijing recently.

Most railway manufacturing plants are still managed by the dictates of a planned economic system, under which the government sets production quotas, buys products at prices it sets, and controls investment.

So while the massive rail expansion now under way in China cries out for fast heavy-haul rolling stock, production plants are hamstrung by lack of capital and outdated techniques.

To raise both the capacity and quality of rail cars, a modern enterprise system must be phased in by the China National Railway Locomotive and Rolling Stock Industry Corp (Loric), which runs 35 plants and four research institutes and employs 270,000 people.

By 1995, Loric intends to update its operation contract system with the ministry to expand production. Later it will be authorized to become a share holding company and manage State property.

This in effect will make the 35 manufacturing and repair plants independent and responsible for State assets.

Simultaneously, profound reforms will take place in the railway planning, pricing, investment, financing and wage systems.

The ministry will continue cutting production quotas for vehicles so that in the near future all manufacturing orders will be through contracts.

The industry now is far from being independent. Indeed, mandatory orders still account for 85 percent of its production value.

The State will also relax its tight hold over prices of rolling stock so that in three to four years market forces will be the primary determinants of pricing. Prices for vehicle parts are expected to be freed this year, for passenger and freight cars, in 1995; and, for locomotives, in 1997.

There remains a big gap between prices paid by the State and prices set by the market. For example, the market price for a Dongfeng-4 diesel locomotive is 4.8 million yuan (\$552,000) but the ministry will pay only 3.1 million yuan (\$356,000).

The system for deciding investments will also depart from arbitrary allocation by the State and rely more on market financing and self financing by enterprises.

Fu cautioned that the industry must prepare for domestic and foreign challenges as it advances into the highly-competitive market place.

Loric's decades-old monopoly over freight car production has become feeble, allowing a legion of competitors to squeeze into the manufacturing and repair businesses.

The ministry plans to spend \$10 billion yuan (\$1.15 billion) this year for new rail vehicles.

In 1994 Loric will arrange the production of about 800 locomotives, 2,000 passenger cars and 32,500 freight cars.

About 80 per cent of the new locomotives will be for large-haul service on trunk lines, primarily the Dongfeng-4 diesel and Shaoshan-4 electric models.

For passenger cars the focus will be on the Model 25, which accommodates more travellers at higher speed and with more comfort than the obsolete Model 22, still the backbone of passenger service. Production of the Model 22 will be phased out by next year.

Despite the shortage of capital and raw material, Loric last year built 670 diesel locomotives, 19 per cent more than in 1992; 220 electric locomotives, 10 per cent more; 1,850 passenger cars, 12 per cent more; and 29,000 freight cars, 34 per cent more.

Management of Container Industry To Be Improved

OW1604131694 Beijing XINHUA in English 1247
GMT 16 Apr 94

[Text] Shanghai, April 16 (XINHUA)—China will take measures to improve the management of the container industry.

According to a ceremony for the establishment of the China Container Industry Association held here Thursday [14 April], China can now turn out 250,000 standard containers a year, making it the biggest producer in this field.

But, sources said, sales of containers and technology for making the containers has fallen behind production, and the management of the container industry is inefficient.

The newly-established association aims to improve the management in the industry.

It will collect and transmit information about container production and sales, and new technology so as to promote fair competition, improve quality, and enhance cooperation in design, manufacture and quality control.

Nearly One-Fourth Domestic Air Routes Use Y-7

OW1604062594 Beijing XINHUA in English 0620
GMT 16 Apr 94

[Text] Beijing, April 16 (XINHUA)—China's home-made Y-7 aircraft has captured nearly a quarter of its domestic air routes, according to figures released recently.

A survey conducted by an authorized aviation journal showed that China has now 1,161 domestic air routes, 278 of which use Y-7 planes.

Produced by the China Xian Aviation Industry Corporation, the Y-7 aircraft can load with more than 50 passengers or 5,000 kg cargo, with a maximum voyage of 1,200 km.

Figures also show that over 90 Y-7 aircrafts have been put into operation, accounting for 24 percent of the air

fleet of China's domestic airlines. And 13 out of 21 domestic airlines have started using Y-7, accounting for 61.9 percent of their aircrafts.

The North China Airlines now uses Y-7 planes on 376 scheduled flights every week along its 95 air routes. And the South China Airlines, the smallest user of Y-7, makes at least eight flights each week with the home-made aircraft.

According to the survey, the number of Y-7 flights each week has reached 870, transporting a total of about 35,000 passengers.

Ministry Reports Rise in Steel Output

OW1604042894 Beijing XINHUA in English 0335
GMT 16 Apr 94

[Text] Beijing, April 16 (XINHUA)—China reported a 7.66 percent rise in steel output in the first quarter of this year over the same period of 1993, reaching 22.95 million tons from January to March, according to the Ministry of Metallurgical Industry.

Figures disclosed by the ministry show that China produced 20.29 million tons of rolled steel and 22.14 million tons of iron in the first three months of this year, an increase of 9.47 percent and 11.3 percent, respectively.

Officials said that output increase was also accompanied by a rise in product quality. But the iron ore output, reported at 48.7 million tons, fell below the ministry's production target, they said.

China produced 88.3 million tons of steel last year, making it the world's second biggest producer, behind Japan. The target of this year is 93 million tons.

It imported 2.3 million tons of rolled steel in the first two months of the year while the export reached 150,000 tons, a rise of 57 percent.

Steel Output, Imports Rise in First Quarter

HK1604053594 Beijing CHINA DAILY in English
16 Apr 94 p 1

[By staff reporter Pei Jianeng: "Output of Steel Rises by 7.6 Percent in 1st Quarter"]

[Text] Steel output reached 22.95 million tons in the first quarter of this year, 7.66 percent more than the same period last year, it was revealed yesterday.

China produced 20.29 million tons of rolled steel and 22.14 million tons of iron from January to March, increases of 9.47 percent and 11.3 percent, respectively, according to figures from the Metallurgical Industry Ministry.

However, the output of iron ore, reported at 48.7 million tons, fell below the ministry's production target, officials said.

But the general increase in output was accompanied by a rise in product quality, the officials added.

The ratio of advanced continuous casting—a symbol of technical capacity in steel making—also rose, from last year's 32.82 percent of steel output to 38.62 percent, in the first quarter of this year.

Manufacturers' profits and taxes also increased markedly during the first quarter, going up 16.7 percent over last year.

China produced 88.3 million tons of steel last year making it the world's second biggest producer, behind only Japan.

This year the target is 93 million tons and officials are optimistic about the chances of hitting the target.

In the first two months of the year, China imported 2.3 million tons of rolled steel, 8.1 percent more than the same period last year.

Meanwhile, it exported 150,000 tons of rolled steel, an increase of 57 percent.

Although the government lifted the price ceilings of steel products at the beginning of this year, market prices have remained stable as supply and demand are roughly balanced, officials said.

It is expected that China's total demand for rolled steel will hit 100 million tons this year.

About 90 million tons will be supplied by domestic production and stockpiles.

Officials said China still needs to import about 10 million tons of rolled steel this year.

Last year it imported a record 30.26 million tons of rolled steel because of overheated investment in fixed assets.

Officials said a shortage of capital is still the biggest headache for domestic steel makers.

And the new tax burdens imposed on iron mines may cause most of them to lose money this year, officials said, adding that the transport bottleneck will also affect steel production.

One of China's major steel makers, the Beijing-based Shougang Group, produced 1.85 million tons of steel and 1.47 million tons of iron in the first quarter, respective increases of 29 and 33.78 percent.

New Stamps Feature Desert Afforestation

*OW1704072894 Beijing XINHUA in English 0653
GMT 17 Apr 94*

[Text] Beijing, April 17 (XINHUA)—The Chinese Ministry of Posts and Telecommunications is to issue, on April 21, a set of four stamps featuring desert afforestation.

Designs and denomination of these stamps are: "the vast expanse of desert", 15 fen; "flowers in the desert", 20 fen; "forest of diversiform-leaved poplar", 40 fen; and "oasis in the desert", 50 fen.

Desertification is a serious environmental problem challenging the whole globe. China has vast areas of desert and is seriously affected by desertification. At present deserts constitute 15.9 percent of China's land area.

In recent years China has achieved notable results in harnessing desertification, with drought-enduring shrubs and trees, such as the diversiform-leaved poplar, planted to shelter farmland and stop moving dunes.

So far, some 6.7 million hectares of the country's deserts have been afforested, and 10 percent of the desertified land has been effectively harnessed.

The designer of the stamps is Meng Sihui from the Palace Museum.

East Region

Anhui Governor Interviewed on Agriculture, Industry

OW1604144894 Hefei ANHUI RIBAO in Chinese
16 Mar 93 p 1

[“Reshaping Anhui’s Image: Anhui Governor Fu Xishou’s interview with XINHUA reporter Ding Jianming” (0002 1017 6900); place and date not given]

[Text] “Reshaping Anhui’s image so as to present its new appearance to the world.” During an interview with this reporter, Fu Xishou, deputy to the Eighth National People’s Congress and governor of Anhui, frankly said that Anhui is determined to realize this goal in the near future.

Fu Xishou said: “In the past, we Anhui people were unwilling to shake off the label of being poor. The reason behind this is that if they remain poor they would get help. In fact, nothing was gained by assuming this posture. Moreover, it caused the cadres in some areas to fail to concentrate on economic development. This posture not only showed that Anhui people lacked fighting will but also adversely affected their image. To change this image and Anhui’s appearance, we must depend on ourselves, seize opportunities, and work hard in a down-to-earth way.”

Fu Xishou told the reporter: In the past two years, the people of the province have emancipated their minds, changed their old concepts, and strove to catch up with other areas. The provincial party committee and the provincial government promptly put forward the “one line, two points” strategy aimed at developing the Wanjiang basin, responding to the call for developing Pudong, concentrating on developing the economic belt along the Chang Jiang, and accelerating the development of Hefei and Huangshan Cities. The implementation of this strategy has stimulated economic development throughout the province. Last year, Anhui’s economic growth rate broke all previous records. Its gross domestic product totaled 94 billion yuan, up 22 percent over 1992; its total industrial output value amounted to 140 billion yuan, including 10 billion yuan from the output value of town and village enterprises. All sectors of the rural economy developed, with total agricultural output value amounting to 41.7 billion yuan, an increase of 8.5 percent, ranking fifth in the country in terms of growth. Exports in 1993 totaled \$960 million yuan, up 16 percent. Last year Anhui approved 1,040 foreign-funded enterprises, with a contract volume exceeding \$700 million, which is the sum total of foreign investment in the past nine years. Household appliances and other processing industries, which used to be Anhui’s weak points, have gradually become its strong points.

The governor, who graduated from Qinghua University in the 1950’s, understood very well how these achievements were made in 1993: “We cannot say that our current economic strength is very great. There is a wide

gap if we compare our economy with that of other developed provinces. We must not lower our vigilance. We must continue to work hard.”

Fu Xishou said: To enable Anhui’s economy to develop in a sustained, rapid, and healthy way, it is necessary to carry out the following two tasks. First, it is necessary to accelerate the construction of basic industries and infrastructural facilities, both of which will become Anhui’s advantages. Second, town and village enterprises and state-owned enterprises should do a good job in importing technologies and carrying out technical transformation. Infrastructural facilities and basic industries are the mainstays supporting Anhui’s economic development, and importation of technologies and technical transformation are like “wings” that can stimulate Anhui’s economic development.

Fu Xishou said: This year is a crucial year in building a socialist market economic structure. Anhui must accomplish the following tasks: First, accelerating the development of a market economy in rural areas and striving to increase farmers’ income; second, maintaining healthy and rapid industrial growth, while focusing on structural readjustment and efficiency; third, accelerating changing the operating mechanisms of state-owned enterprises and finding an effective way of establishing modern enterprises; and fourth, opening up to the outside world in all directions and domains and developing an open economy.

Chen Mingyi Elected Governor of Fujian Province

OW1604145294 Beijing XINHUA in English 1438
GMT 16 Apr 94

[Text] Fuzhou, April 16 (XINHUA)—Chen Mingyi, 54, was today elected governor of south-east China’s Fujian Province, at the closing session of the seven-day Second Meeting of the Eighth Fujian Provincial People’s Congress.

Chen, a native of Fuzhou, capital of Fujian Province, has been vice-president of Xiamen Institute of Aquatic Products, deputy director of Fujian Provincial Committee of Science and Technology, vice-governor of Fujian Province and deputy secretary of the Fujian Provincial Committee of the Communist Party of China (CPC). He has a postgraduate degree.

At today’s meeting, Jia Qinglin, former governor of Fujian Province, was elected chairman of the standing committee of the Eighth Fujian Provincial People’s Congress.

Jia, 54, is a native of Jiaohe County of north China’s Hebei Province. He is concurrently secretary of the Fujian Provincial CPC Committee.

Governor Chen, asked about how to seize the current opportunities to accelerate the development of Fujian, said that it was necessary to actively carry out reform in

various fields and speed up the pace of building a socialist market economic system.

Besides, he said, it is imperative to continue to adopt the policy of opening to the outside world, to promote economic cooperation between the province and the outside world, particularly Taiwan, which is located across the Taiwan Straits.

Chen also pledged to lead the government to do practical work for the people. Particularly, he stressed, efforts should be made to enrich the people's "vegetable baskets" and "rice bags," to strictly bring price rises under control, and to further reduce the burdens of farmers.

He said attention should be paid to the unity of the people of all walks of life and to promotion of the province's exchanges with compatriots in Hong Kong, Taiwan and Macao, and with people in foreign countries.

Fujian Leadership Reshuffle Not Yet Completed

HK1704052894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 17 Apr 94 p 6

[By Daniel Kwan in Fuzhou]

[Text] Communist Party stalwart Chen Mingyi was yesterday elected governor of Fujian province, replacing Jia Qinglin who takes over as the chairman of the law-making body, the Fujian People's Congress. Mr Chen, 54, was deputy party secretary in Fujian and has been Mr Jia's right-hand man since 1985.

The reshuffle was confirmed unanimously by 464 delegates at the provincial people's congress. Speaking to reporters after his election yesterday, Mr Chen said he would continue to put Taiwan affairs at the top of his agenda. He said that, in particular, he would focus on protecting Taiwanese investment in Fujian and would push for early direct links with the Kuomintang stronghold. Despite repeated overtures from Beijing, the Taiwanese Government has steadfastly refused to open direct communication, transport and government contacts with the mainland.

The new governor also pledged to work closely with Mr Jia to further improve the economy. Fujian, in spite of its close proximity to Taiwan, has lagged far behind economically booming Guangdong, a fact sources attribute to a lack of co-operation among the province's top officials.

On other matters, both Mr Chen and Mr Jia said they would continue to crack down on the smuggling of illegal workers from Fujian to the United States. But they admitted Fujian's long coastline made anti-smuggling efforts difficult.

Meanwhile, sources said the provincial leadership had decided to postpone the election of two vice-governors due to differences of opinion at the top. They said the original plan was for congress delegates to elect two

vice-governors to fill the vacancies left by Mr Chen and another vice-governor, Li Mingkang, who was expected to retire soon.

Shandong's Former Party First Secretary Dies

SK1704041694 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Apr 94

[Excerpts] Comrade Bai Rubing, an outstanding CPC member and a faithful communist fighter, former member of the Advisory Commission of the CPC Central Committee and former first secretary of the Shandong Provincial CPC Committee, died of an illness that showed no response to medical treatment in Jinan on 8 April at the age of 83. [passage omitted]

After the death of Comrade Bai Rubing, Jiang Zemin, general secretary of the CPC Central Committee; Qiao Shi, member of the standing committee of the Political Bureau of the CPC Central Committee and chairman of the National People's Congress Standing Committee; Zhu Rongji, member of the standing committee of the Political Bureau of the CPC Central Committee and vice premier of the State Council; and Hu Jintao, member of the standing committee of the Political Bureau of the CPC Central Committee and secretary of the Secretariat; and other party and state leaders respectively made telephone calls to express deep sorrow over the death of Comrade Bai Rubing and to extend cordial regards to his family members and children. When Comrade Bai Rubing was critically ill, leading comrades of Shandong Province and of Jinan Military Region, including Jiang Chunyun, Zhao Zhihao, Zhang Taiheng, and Song Qingwei visited him in the hospital on several occasions. [passage omitted]

The remains of Comrade Bai Rubing were cremated in Jinan on 15 April. At 1530 in the afternoon, the hall to pay last respects to the deceased in Jinan funeral parlor was filled with mourning music. Leading comrades of Shandong Province and of Jinan Military Region, including Jiang Chunyun, Zhao Zhihao, Li Chunting, Li Wenquan, Han Xikai, Li Zhen, Lu Maozeng, Yang Guoping, Cai Renshan, and (Han Naida); veteran comrades of Shandong Province and of Jinan Military Region, such as Su Yiran, Liang Buting, Gao Keting, Qin Hezhen, Li Zichao, Rao Shoukun, and Fan Chaoli; representatives of party and government organs of the province and Jinan city; and friends of Comrade Bai Rubing came one after another to the funeral hall to bow to Comrade Rubing who had devoted more than 60 springs and winters making immortal deeds for the cause of the party and the people and to express sympathy and solicitude for the family members and relatives of Comrade Bai Rubing.

The bone ash of Comrade Bai Rubing will be placed in Jinan Cemetery for Revolutionary Martyrs.

Shandong Devises Plans To Fight Criminal Activities

SK1704045594 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Apr 94

[Text] On the morning of 15 April, the provincial party committee and the provincial government held a telephone conference to devise plans for our province to deal strict blows to serious criminal activities.

Sun Shuyi, member of the standing committee of the provincial party committee and secretary of the commission on politics and law of the provincial party committee, attended and addressed the conference. Vice Governor Wang Yuxi presided over the conference. Meng Qingfeng, director of the provincial public security department, read the program of action.

The conference pointed out: The priorities to attack this activity are criminals who harm the society, affect stability, and engage in active sabotage activities; hooligans and local ruffians who engage in major crimes of violence, gang up to commit crimes, ride roughshod on the streets, and play tyrant in their home villages or towns, which the people hate bitterly; criminals who steal or damage the country's railway, communications, power, water conservation, and oil field equipment; criminals who engage in cheating, smuggling, and making counterfeit money and false tax receipts and bills; and law-breaking criminals who abduct and traffic in women and children and engage in prostitution activities.

Shandong Secretary Attends Science Award Meeting 15 Apr

SK1604040394 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Apr 94

[Text] The provincial scientific and technological award meeting was ceremoniously held at Nanjiao Guesthouse in Jinan on the morning of 15 April.

In 1993, the broad masses of scientific and technical workers across the province conscientiously implemented the principle of invigorating Shandong through science and education, made important contributions to invigorating Shandong's scientific and technological undertakings and promoting economic development, and achieved more than 2,800 major scientific and technological findings, 61 of which attained the domestic leading or advanced level. The meeting presented awards to some scientific and technical workers who won the 1993 state invention award, the state scientific and technological progress award, the state spark award, and the provincial scientific and technological progress award, and the spark award.

The meeting was presided over by Jiang Chunyun, secretary of the provincial party committee. Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, gave a speech at the meeting. He pointed out: It is necessary to fully recognize the new tasks and new demands which economic and social

development has set on scientific and technological work, actively promote the conversion of scientific and technological achievements into practical productive forces, further strengthen the popularization of scientific and technological achievements, perfect the science and technology popularization system, stabilize the ranks of scientific and technological popularization workers, improve the conditions for popularizing science and technology, and form a tremendous force in society in which all people attend to the work of popularizing science and technology. Zhao Zhihao stressed: To rely on scientific and technological progress to invigorate Shandong's economy, the crucial issue involved is to have a rank of scientific and technical personnel who are rigid in ideology and strong in skills. It is necessary to conscientiously implement the principle of holding fast to one end and leaving the whole field open, do a good job in the transfer of professional personnel and in structural adjustment, and make the distribution of scientific and technological resources more rational. We should actively attract personnel in a planned manner, strenuously train and cultivate scientific and technical backbone forces for the next century, and unceasingly strengthen Shandong's ranks of scientific and technical workers.

Jiang Chunyun gave a speech at the end of the meeting. He set forth four demands. First, all localities across the province should firmly cultivate the concept that science and technology are the primary productive forces. If we want to maintain a sustained, steady, and sound development in the national economy and to smoothly realize the grand objective of the national economic and social development, we must attend to the development of science and technology which are the primary productive forces with great determination, daring, and strenuous efforts. The party and government top leaders at all levels should personally attend to the primary productive forces, take the lead in learning science and technology, and unceasingly broaden and enrich their own knowledge. Second, we should give play to the creativity of scientific and technical personnel to the greatest extent, fully mobilize their enthusiasm, and realistically regard them as representatives of real productive forces. It is necessary to conscientiously implement the party's policy on intellectuals, create a good work and living environment for them, and enable them to work freely, to display their talent and ability, and to make greater contributions. Third, it is necessary to unswervingly follow the path of combining economy with science and education and realistically rely on science and technology to promote our economic development. Science and technology should realistically serve the main battlefield of economic development. The educational sector should cultivate more outstanding and competent economic, scientific, and technical professionals. Fourth, it is necessary to rely on deepening reform to instill vigor and vitality into scientific and technological work. In line with the demand of building the socialist market economy, we should promote reform of the scientific and technological system, reform and improve

the scientific and technological management system, and strengthen the vitality and motivation of scientific and technological development.

In his speech, Jiang Chunyun expressed hope that the broad masses of scientific and technical workers will promote their achievements, advance in the wake of victory, boldly scale the heights of science and technology, and make greater contributions to invigorating Shandong through science and education and promoting better and more rapid economic development in Shandong.

Provincial leaders Li Chunting, Lu Maozeng, and Ma Zhongcai attended the meeting.

Shandong Holds Conference of Public Security Organs

SK1704072894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Apr 94

[Text] The provincial conference of public security organs on fighting corruption and promoting administrative honesty ended on 16 April. The conference proposed efforts be made to implement the principle of taking both radical and stopgap measures to effect a comprehensive management of public security, strengthen education on the purpose of the party, the mass line, the legal system, and on preventing and fighting corruption among the public security cadres and policemen, and enable the broad masses of public security cadres and policemen to ideologically build a strong defense line for resisting corruption and guarding against evolution.

Since the promulgation of the decision of the party Central Committee and the State Council on launching anticorruption struggle last August, public security organs across the province have solidly and effectively carried out their work and made noticeable achievements. During this period, they investigated and handled a total of 59 law-and-discipline-breaking cases of various descriptions, handled 71 persons in line with law as well as party and administrative discipline, and initially checked the random levy of fares, fees, and forced donations, abolished 127 items on unwarranted pooling of funds, arbitrary requisition of donations and exaction of fees from enterprises and 370 items involving random levies from peasants. While conducting cherish-the-people month activities, public security organs at all levels have checked some unhealthy trends and corrupt phenomena which the people showed strong reaction and maintained closer ties between the party and cadres, between cadres and the masses, and between the police and the people.

Addressing the conference, Sun Shuyi, member of the standing committee of the provincial party committee and secretary of the commission on politics and law of the provincial party committee, pointed out: Public security organs have held law-enforcing powers. The corrupt phenomena and unhealthy trends emerged in the

course of law enforcement are the major problems reflected by the people. This year public security organs at all levels should adopt effective measures to check the problems on arbitrarily collecting fees, fines and forced donations, paying attention to human relationship while handling cases and issuing certificates or licenses, making things difficult for the masses, and extorting money or articles from the people that exist in some units in order to win trust from the people. Regarding the cases on law and discipline violations involving cadres and policemen, we should adopt a resolute attitude, investigate the cases through to the end, and handle them with a serious and conscientious attitude. It is necessary to further establish and perfect laws and regulations and fundamentally check the breeding and development of corrupt phenomena.

Shandong's Yantai City Elects New Party Secretary

SK1704060094 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Apr 94

[Text] The eighth Yantai city party congress ended on 16 April. At the first plenary session of the eighth city party committee, Du Shicheng was elected secretary of the city party committee.

Wu Bangguo, Huang Ju Discuss Shanghai's Taxation Reform

OW1604101194 Shanghai JIEFANG RIBAO in Chinese 11 Mar 94 p 5

[Text] When meeting the press in Beijing on the afternoon of 10 March, Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee; and Shanghai Mayor Huang Ju, both of whom are Shanghai deputies currently attending the Second Session of the Eighth National People's Congress [NPC] said: We have earnestly studied and examined Premier Li Peng's "Government Work Report" and, following the instructions of the party Central Committee and the State Council, will thoroughly study the situation and grasp the spirit and guidelines of the report to ensure that Shanghai's work is properly carried out. The central authorities' policy of promoting the tax revenue sharing system is a general demand. Shanghai, as a part of the country, should comply with the demand and make more contributions to the nation while developing its economy.

Wu Bangguo said: We should not practice the socialist market economy without having any rules. Reform of the financial and taxation system is designed to regularize the interests between the state and enterprises and between the central and local authorities. The characteristics of our original taxation system are that there were too many tax categories and the tax burdens were not reasonably shared. This will create difficulties for fair competition between enterprises. We actively support the implementation of the tax revenue sharing system. The excessively small percentage of the central financial

revenue will have adverse effects on macroeconomic regulation and control. If the general situation is out of control, Shanghai also will be unable to develop. Regarding the system of sharing between the central and local authorities, our position is as follows: Shanghai will resolutely carry out anything that has been decided by the central authorities; Shanghai will not be exceptional on things that apply to the whole country; Shanghai will make more contributions to the central authorities annually while developing its economy.

Huang Ju said: Implementation of the tax revenue sharing system is a major reform that concerns the overall situation. In carrying out the reform, we have to consider the need to strengthen the central authorities' macroeconomic regulation and control ability and to pay attention to rallying localities' enthusiasm. In deciding the sharing relationship between the central authorities and Shanghai, the central authorities once again assured that the policy of developing and opening up Pudong will not change and that the original mechanism with which Shanghai repays its own foreign debts will not change. All these show the party Central Committee and State Council's support for Shanghai's work. The only way for Shanghai is, under the conditions of macroeconomic regulation and control, to strive to make the "cake" bigger to make greater contributions to the country.

Zhejiang Security Organ Arrests Boat Fire Suspects

OW1704120894 Beijing Central Television Program
One Network in Mandarin 1100 GMT 17 Apr 94

[Announcer-read report; from the "National News Hookup" program]

[Text] According to disclosures by the Zhejiang provincial public security organ today, preliminary investigations have proved that the fire on the Hairui pleasure-boat in Zhejiang's Qiandao Hu was an exceptionally serious case of robbery, arson, and murder. The Zhejiang public security organ has uncovered the case after working assiduously for 17 days and nights. Three culprits—(Wu Nihong), male, 22, and a native of (Tongciwu) township in Zhejiang's Chunan county; (Yu Aijun), male, 23, and a native of Zhejiang's Jiande county; and (Hu Zhihan), male, 24, and a native of (Hailing) town in Zhejiang's Chunan county—have already been arrested by the public security organ. They have initially confessed to scheming, preparing, and carrying out the crimes of robbery, arson, murder on the Hairui and of destroying the boat. The public security organ is further investigating the case.

Zhejiang Moves To Stop Unauthorized Passenger Boats

OW1704154594 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 17 Apr 94

[From the "Provincial News Hookup" program]

[Text] In a recent notice, the Provincial Port Navigation Supervision Bureau requested that all port navigation departments resolutely stop nonpassenger boats from the unauthorized ferrying of passengers. Since the beginning of the spring tourism season, unauthorized ferrying of passengers by nonpassenger liners in various localities has seriously endangered water traffic safety. The Provincial Port Navigation Supervision Bureau asked port navigation supervisory offices at city and prefectural levels to intensify spot checks against boats engaging in carrying passengers in violation of the rules. Nonpassenger boats desiring to transport passengers must obtain approval from shipping authorities at the county level and above, with strict observance to maximum load capacity and should be equipped with standard life-saving and fire prevention facilities.

Zhejiang Governor Discusses Work Requirements at Meeting

OW1604081794 Hangzhou ZHEJIANG RIBAO in
Chinese 8 Mar 94 p 1

[Excerpt] Zhejiang Provincial People's Government held the Third Plenary Meeting yesterday afternoon. The meeting aims to make plans for carrying out the current tasks in accordance with the guiding spirit of the Second Session of the Eighth Provincial People's Congress, which emphasizes the division of labor and the importance of defining responsibility.

Governor Wan Xueyuan spoke at the meeting. After analyzing the current situation and defining the major points of this year's work, he put forward the following requirements for carrying out the work.

First, continued efforts should be made to improve the division of labor as well as the supervision and inspection system. Each department should further divide its tasks and assign such tasks to specific units and personnel. The work responsibility system should be strengthened. Particularly important is the establishment of the responsibility system for major leading personnel. It is necessary to carry out routine supervision and inspection, as well as routine feedback to ensure work accomplishment. Such work should be integrated with an evaluation conducted by each organization so as to ensure each and every public functionary will conscientiously work hard to achieve Zhejiang's goals and tasks.

Second, it is necessary to strengthen our investigation and research in a bid to find out new situations and problems. Leaders of each department should determine the topics of their investigation and conduct research in the light of their own work. They should focus their studies on special issues and current trends. Particularly, they should study various new situations and problems that appear during the course of reform. In conducting such investigation and research, they should try to achieve results applicable to the real work. During their investigation and research, they should try to determine

various work models. In this way, they can push forward all kinds of work by showing such exemplary models.

Third, it is necessary to tighten administrative disciplines and ensure that such administrative disciplines are unified and are universally observed. Many reform measures will be introduced this year. During the course of reform, interests involving many factors are bound to be readjusted. Consequently, the interests of some localities and departments will be affected to some extent. All departments concerned should have a correct understanding and firmly foster an awareness of the overall interest so as to ensure that partial interests will be subservient to overall interests and current interests will be subservient to long-term interests. They should never use various excuses to delay the implementation of the central authorities' policies and measures because of the interests of their own departments or localities. Leaders at all levels should conscientiously become a supporter for the unification of administrative disciplines and ensure that all policies and measures introduced by central and provincial authorities will be carried out smoothly.

Fourth, it is necessary to strengthen the unity among all leaders so as to form a great force in carrying out our tasks. Great efforts should be made to maintain unity in our leading groups. To achieve unison among all leading personnel, we should pay more respect to others' opinions, have more discussions with others, give more support to each other, and advocate criticism and self-criticism. We should further uphold and improve the responsibility system for administrative leaders, have a rational division of labor, clearly define the responsibility, and be more coordinated in our work. Meanwhile, we should pay attention to ideological and political work among our workers and staff personnel.

Wan Xueyan said: Building a socialist market economy is a completely new subject to us. Cadres at all levels face a tremendous task of learning this subject. In this year, we should pay particular attention to theoretical studies, particularly Volume Three of the "Selected Works of Deng Xiaoping." We should try to have a profound understanding of the theory of building socialism with Chinese characteristics. We should study well recently-promulgated economic laws and regulations as well as economic policies and improve our knowledge about market economy. [passage omitted]

Central-South Region

New Reform Measures in Guangzhou Bring 'Initial Success'

OW1504160694 Beijing XINHUA in English 1539
GMT 15 Apr 94

[Text] Guangzhou, April 15 (XINHUA)—Give away more market share, stock ownership and short-term profits in return for more technology, funds and efficiency—these are the new measures taken by the local

Guangzhou Government to promote foreign trade and utilization of overseas investment.

The measures have brought initial success.

Economic development in Guangzhou, capital of South China's Guangdong Province, has enjoyed a good start this year, as reflected by the economic figures of the first quarter.

This information was released today by the foreign trade and economic cooperation committee of Guangzhou city.

The new series of reforms in the tax system, foreign currency, banking and foreign trade introduced nationwide this year by the Chinese Government has allowed more margin for the development of Guangzhou, a city already boasting the most brisk and prosperous economic activities of the country.

During the first quarter this year, 699 contracts for foreign investment were signed and actually-utilized overseas capital totalled 489 million U.S. dollars, with a growth of 80.8 percent over the same period last year.

The city has earned 820 million U.S. dollars in exports during the first three months, up 23 percent over the same period in 1993.

This has been stimulated by the abolition of the dual exchange rates and the previous rules that foreign currency earned had to be turned over to the government.

To further expand exports, Guangzhou has set up three overseas enterprises and will establish commercial centers soon in New York, Sydney and Moscow.

According to Wang Deye, director of the Foreign Trade and Economic Cooperation Committee, Guangzhou has further relaxed limits on some high-tech enterprises and old enterprises in urgent need of technological renovation in absorbing foreign funds.

By the end of last month, projects involving overseas capital higher than five million U.S. dollars each had totalled 134, covering fields like industrial processing, transport, real estate, tourism and service industry.

The number of countries and regions that have directly opened enterprises in Guangzhou increased from 12 to 19 in the first quarter as against the same period of last year.

Investments in the city totalling more than 20 million U.S. dollars have come from each of the following: Hong Kong, Taiwan, Macao, Japan, Singapore, Britain and the United States.

Israel, Germany and Finland have also expressed intentions to invest or expand cooperation.

Guangdong Province Publicizes 'Teachers Law'

OW1704150694 Beijing XINHUA in English 1430
GMT 17 Apr 94

[Text] Guangzhou, April 17 (XINHUA)—South China's Guangdong Province is now carrying out a publicity campaign for the "teachers' law".

The campaign, which aims at studying the law and promoting its implementation, started on April 15 and will last for a month.

China's teachers' law came into force on January 1 this year.

In recent years, Guangdong has adopted measures to consolidate its contingent of teachers and to raise their status and treatment.

The province has given 405 teachers the title of teachers with special classification, and since 1991 has awarded 14 teachers the "outstanding teacher prize".

In the past eight years, Guangdong Province constructed 10 million square meters of residential accommodation, for 110,000 teachers' households.

It also allocated 30 million yuan as allowances to teachers at universities and colleges.

Since 1993, the provincial government allocated more than 50 million yuan as subsidy for teachers working in 30 counties in mountain areas.

A government official said that 9.46 billion yuan was spent on education last year, 61.8 percent more than the previous year.

Dongguan city last year recruited more than 1,000 teachers from other places, and Foshan city invested more than 13 million yuan in a teacher-training program.

Guangzhou Calls For Families To Help Orphans

OW1804073394 Beijing XINHUA in English 0648
GMT 18 Apr 94

[Text] Guangzhou, April 18 (XINHUA)—The city government of Guangzhou, capital of economically booming Guangdong Province, is calling on its citizens to show more concern for handicapped orphans, to observe 1994 as the International Year of the Family.

In the city's orphanages are living some 350 disabled children who were abandoned by their parents because they suffered from congenital or post-natal diseases, such as heart disease or mental or physical handicaps.

Aiming to give these children the chance to enjoy family happiness, various city government departments, including civil affairs administration, women's federation and children's welfare society, are working together for residents to adopt or give financial aid to these unfortunate kids.

The children can be expected to grow more healthily if they receive better family warmth, care, entertainment, medical care and education.

So far, more than 40 orphans have been adopted or are receiving help.

Shenzhen Mayor Tells Cadres To Cut Bureaucratic Delays

HK1804040894 Hong Kong SOUTH CHINA
MORNING POST in English 18 Apr 94 p 7

[By Chris Yeung]

[Text] Shenzhen cadres could lose their jobs if they fail to overcome bureaucratic delays which are hampering entrepreneurs. Mayor Li Youwei has warned cadres their jobs could be in jeopardy unless they transform their thought and eliminate unnecessary bureaucracy. His comments came after scathing criticism of the authorities by entrepreneurs. Mr Li also urged enterprises to exercise self-discipline and not to "take improper means" to get things done, apparently referring to giving bribes to officials. Mr Li was speaking at a symposium attended by heads of major enterprises and government officials in Shenzhen last week.

General Manager of the Shenzhen Nanhai Company Liao Hanbiao criticised the failure of the municipal Government to make good its promise to grant autonomous powers to enterprises. "Those powers which have been delegated or should be delegated to enterprises have been taken back," he said in a Shenzhen Special Zone Daily report. The newspaper quoted Mr Li as saying that government organs should listen to the aspirations of enterprises and help solve their problems. "Without enterprises, the existence of many government departments becomes unnecessary," he said.

Powers to have been delegated include the recruitment of cadres and workers, and approval of projects. "Some administrative departments have grasped the powers firmly in their hands and often interfere with the normal activities of enterprises," Mr Li said.

A spokesman for Dongbu Group pointed to the work-style of some officials, charging them with low efficiency and excessive control and interference. "(They) are creating problems for enterprises," the spokesman said.

Mr Li accused some departments of putting personal connections and emotions in doing business above rules and laws. He called on colleagues to report any malpractices or abuse of power. Any cadres who traded power for money should be criticised and re-educated, Mr Li said. "(Those who) failed to correct their thoughts and work-style should be removed from their posts."

Mr Li said the municipal Government would take effective measures to enliven the property and stock market, which has become sluggish in recent months. He said the

Government would increase the number of flats for sale to people outside China, and reduce the cost of land and mortgages.

Mr Li said the local Government had told the central Government of its concern at the sluggish stock market and asked for more flexibility in dealing with problems. But he stressed that enterprises should "correct their thoughts" and should not merely count on the pooling of funds from the public. "They (enterprises) should make more efforts to enhance the efficiency of enterprises and be accountable to share-holders and investors," he said.

Hainan's Taxation, Preference Policies 'Converged'

HK1804034394 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] It was learned from the provincial meeting of tax bureau directors, which was held a few day ago, that the new taxation system was operating well in Hainan and had smoothly converged with the province's preferential policy. In the course of implementing the new taxation system, the Hainan special zone's taxation policy remained unchanged.

After the convergence of the new taxation system and preferential policy in income tax, the province has continued to implement the enterprise income tax rate of 15 percent and the policy of giving enterprises various tax exemptions and reductions in time-limit terms. The specific contents are as follows: 1) Fifteen percent income tax will be collected from foreign-invested and domestically invested enterprises in Hainan (with the exception of state banks and insurance companies) on income from their operations and other sources, and they will be exempted from local taxes. 2) Preferential considerations will be given to the income tax enterprises should pay in accordance with the professions they are in, the time limit of their operations, and the size of their investment. 3) Forty percent of the income tax which investors from outside the borders have paid for profits made in the province will be returned to them if they reinvest this portion to set up new enterprises or expand production in China and their operation last no less than five years. All such income tax will be returned to enterprises which reinvest the portion of profits in the province's infrastructure, agricultural development, export of products, and enterprises which are verified by the provincial government as advanced technology enterprises. Those which have operated less than five year and quit the province should give back the returned income tax mentioned above. 4) Foreign investors who do not set up any institutions in China will be exempted from advance income tax when it comes to their dividends, interest, rents, fees for use of franchises, and income from other resources they get from Hainan.

With regard to the turnover tax: 1) With the exception of tobacco, wine, sugar, and mineral oils on which the collection of value-added and consumer taxes in the

production process is halved, no value-added and consumption taxes will be levied on goods produced and sold by enterprises on the island. 2) No consumption tax will be levied on taxable consumer goods which are directly exported by producing enterprises of the Hainan special zone or exported through foreign trade enterprises; a zero tax rate will be pursued in the direct export of the products on which value-added tax should be levied, and, as for the tax volume of imported goods, enterprises are entitled to apply with tax institutions for tax reimbursements according to state stipulations. As far as products which are free from value-added and consumption taxes in the production process and sold to foreign trade are concerned, after they are exported, the foreign trade enterprises should apply with tax institutions for tax reimbursements according to state stipulations. 3) No business tax will be collected from the business revenues of foreign banks and Sino-foreign joint-venture banks (insurance companies) set up in the Hainan Special Economic Zone within five years from the beginning of the operations. After their tax-exemption period expires, business taxes will be levied on them at a rate of 3 percent.

Hunan's Changsha CPC Committee Complex Sold to Bank

HK1704070394 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] The contract for sale of the Changsha City party committee office complex to the Changsha city branch of the Bank of Industry and Commerce of China was signed yesterday afternoon.

The Changsha City party committee office complex is situated in one of the busiest sections of May 1 Road, with superior geographical position and convenient transport facilities. The complex was built in the early 1960's, accommodating all the more than 10 departments of the Changsha city party committee. In view of the fact that the city party committee office complex had limited floor space and deficient facilities, the Changsha city authorities, based on a thorough feasibility study, decided to sell the property to the Changsha city branch of the Bank of Industry and Commerce of China, at the price of 100 million yuan. In this connection, a new site will be sought to relocate city party committee offices. It is believed that this transaction will help promote the reform and opening up process and economic development of the city.

North Region

Beijing Congress Views People's Concerns

OW1504133094 Beijing XINHUA in English 1255 GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—The main headaches for Beijingers these days are how to rein-in the influx of outsiders, and control dogs and the rising prices.

At a recent meeting of the municipal people's congress, participants raised some 300 queries, mostly on these three "hot issues".

Sources here said that the prices of daily necessities have recently risen at an unexpected rate in the capital.

Talking about prices, Mayor Li Qiyang said that freeing prices by no means implies giving up control. On the contrary, active and forceful steps must be taken to keep prices down, including economic, legal and necessary administrative measures.

He said that while efforts should be made to ensure the supply of farm and sideline products, such as grain, vegetables, meat, eggs and milk, emphasis has to be placed on distribution and circulation to ensure market supplies.

A reserve system for major sideline products and a market risk fund must be set up in order to steady the price of daily necessities whenever they go too high, he added.

Any change in the market price should be closely monitored by using a price analysis system, the mayor said, adding that regulations concerning profiteering must be established.

Meanwhile, with the deepening of the country's reform and opening to the outside world, more and more job hunters and business people from every part of the country, especially from the vast rural areas, are pouring in the capital city hoping to make their fortunes.

This causes a lot of problems in the aspects of public security, birth control and traffic that upset the local residents, who used to enjoy a peaceful life.

According to a senior justice official, there are nearly two million outsiders in Beijing now, forming some non-Beijinger ghettos in the districts, such as "Zhejiang village" and "Henan village".

The official said that a handful of these outsiders have turned to crime.

A survey conducted in 1993 shows that outsiders accounted for as high as 80 percent of the total criminal offenders in the city.

But, the official said, the outsiders on the whole play an important role in the capital's construction.

They are mainly engaged in the catering trade, repairs, garment making, baby-sitting and nursing, and cleaning, he said, adding that they have made great contributions to enlivening the capital's markets and making life more comfortable for the city dwellers.

Speaking of the control and management of outsiders, Deputy Mayor Meng Xuenong said that there is an urgent need to establish an effective registration system for outsiders.

The number must be put under strict control in terms of the city's capacity of administration and the demand of the labor market, he said.

A more unusual problem for residents of the capital is dogs.

Nowadays, more and more families tend to keep pets, dogs in particular.

However, the dogs also disturb the normal life of Beijingers, a local resident said, biting people and causing disputes.

Statistics show that dogs injured more than 30,000 people in the city last year.

A suggestion for solving this problem put forward by the deputies to the municipal peoples' congress is to register and immunize pet dogs. Fierce dogs should be banned completely, they said.

To ensure that Beijingers live and work better in a better environment, Deputy Mayor Zhang Baifa said the municipal government will put these problems on its agenda for this year's comprehensive urban management.

Beijing CPPCC Session Concludes 7 Apr

SK1804042894 Beijing BEIJING RIBAO in Chinese
8 Apr 94 p 1

[By reporters Qiu Hongbo (6725 3163 3134) and Chen Xi (7115 2569): "The Second Session of the Eighth Beijing Municipal CPPCC Committee Concludes"]

[Excerpts] After successfully fulfilling every item on the agenda, the second session of the eighth municipal Chinese People's Political Consultative Conference [CPPCC] committee concluded on the afternoon of 7 April.

Li Zhijian, deputy secretary of the municipal party committee, extended warm congratulations on the successful conclusion of the session on behalf of the municipal party committee and also delivered an important speech.

Qian Yi, vice chairman of the municipal CPPCC committee, presided over the session's closing ceremony.

Shen Rendao, vice chairman of the municipal CPPCC committee, delivered a closing speech.

Attending the session's closing ceremony were Chen Xitong, secretary of the municipal party committee; Mayor Li Qiyang; Zhang Jianmin, chairman of the municipal people's congress standing committee; Wang Daming, chairman of the municipal CPPCC committee; and Chen Guangwen, deputy secretary of the municipal party committee.

Seated in the front row on the session's rostrum were Zhu Zuolin, deputy secretary general of the National

CPPCC committee; Feng Mingwei, Sun Fuling, Chen Zhongyi, Zhu Zhanyu, Chen Dabai, Wang Shuhuan, Lu Songhua, Zhang Lianyun, Wang Siqian, Wang Zhitai, and Jin Jin, vice chairmen of the municipal CPPCC committee; Li Bokang, adviser to the municipal CPPCC committee; and Du Shenwei, secretary general of the municipal CPPCC committee.

During the session, the participating members approved the political resolution of the second session of the eighth municipal CPPCC committee, the resolution on the work report given by the municipal CPPCC standing committee, and the resolution on the work report made by the motions committee with regard to handling the motions raised by members since the first session of the eighth municipal CPPCC committee. [passage omitted]

Also attending the session's closing ceremony were responsible persons from the municipal party committee, the municipal people's congress standing committee, the municipal people's government, the municipal discipline inspection commission, and from various democratic parties and mass organizations across the municipality, including Zhang Baifa, Wang Baosen, Wang Tong, Zhang Baokang, Ouyang Wenan, Yang Chaoshi, Duan Bingren, Qiang Wei, Li Yongan, Meng Zhiyuan, Tie Ying, Xia Qinlin, Tao Dayong, Mei Xiangming, Tao Xiping, Xu Bingzong, Lu Yucheng, He Luli, Li Runwu, Hu Zhao Guang, and Fan Yuanmou.

Beijing People's Congress Session Opens on 8 Apr

SK1804025994 Beijing BEIJING RIBAO in Chinese
9 Apr 94 p 1

[By reporter Ding Yatao (0002 0068 7290) and trainee Zhai Degang (5049 1795 4993): "The Second Session of the 10th Municipal People's Congress Opens"]

[Excerpts] The second session of the 10th municipal people's congress ceremoniously opened amid the solemn music of national anthem on the morning of 8 April.

It has been stressed at the session that the municipality should make a greater step in reform and construction to prefulfill the target of becoming better-off—under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics—by closely following the municipality's practical situation; by regarding the work of maintaining the capital's stability as the first priority; by earnestly dealing with the relationship among reform, development, and stability; by further emancipating minds; by seizing the opportunity; and by making a breakthrough in key aspects.

Zhang Jianmin, executive chairman of the session and executive member of the session's presidium, presided over the session's opening ceremony. Seated on the session's rostrum were executive chairmen of the session, including Chen Xitong, Wang Daming, Li Zhijian, Chen Guangwen, Meng Zhiyuan, Tie Ying, Xiao Qinlin,

Tao Dayong, Mei Xiangming, Tao Xiping, Xu Bingzong, Wang Zhitai, An Shiwei, Li Yongan, Li Peiyu, and Jin Jin.

Attending the session were 801 deputies.

During the session, Mayor Li Qiyang delivered a government work report on behalf of the Beijing Municipal People's Government. [passage omitted]

Also seated on the session's rostrum were Wang Xian, Zhao Pengfei, Fan Jin, Bai Jiefu, Zhang Beifa, Wang Baosen, Wang Tong, Zhang Baokang, Ouyang Wenan, Yang Chaoshi, Duan Bingren, Qiang Wei, Lu Yucheng, He Luli, Li Runwu, Hu Zhao Guang, Meng Xuenong, Duan Qiang, Su Zhongxiang, Han Boping, Huang Chao, Feng Mingwei, Shen Rendao, Chen Dabai, Wang Shuhuan, Lu Songhua, Zhang Lianyun, Wan Siqian, Sheng Liangang, He Fangba, Wang Zhao Yue, Fan Yuanmou, and Du Shenwei.

Among those who were invited to the session were 20 municipal deputies to the National People's Congress and responsible comrades from the departments concerned of the municipal party committee, the municipal people's congress standing committee, and the municipal people's government; as well as from the people's congress standing committees and people's governments of some districts and counties.

Also attending the session were responsible persons from the departments concerned of the general office under the municipal people's congress standing committee.

Beijing CPPCC Session Elects Additional Officials

SK1804093794 Beijing BEIJING RIBAO in Chinese
8 Apr 94 pp 1,3

[By reporter Chen Xi (7115 2569): "The Second Session of the Eighth Municipal CPPCC Committee Holds Plenum"]

[Text] The second session of the eighth municipal Chinese People's Political Consultative Conference [CPPCC] committee held its plenum on the morning of 7 April.

During the plenum, Wan Siqian [8001 0843 6898], Wang Zhitai [3769 0037 3141], and Jin Jin [7246 2516] were elected additional vice chairmen of the eighth municipal CPPCC committee.

Among those elected additional members of the municipal CPPCC standing committee at the plenum were Zhuang Cunpei [8369 1317 1014], Ren Ningfen [0117 1337 5358] (f), Li Min [2621 2404] (f), Yang Ming Ming [2799 2494 2494] (f), Wu Jiang [0702 3068], Zhang Jinduo [1728 6855 6995], Zhang Yuanqing [1728 1254 1987] (f), and Zhou Jinfeng [0719 2516 1496].

Beijing Secretary Visits Daxing County

SK1504112494 Beijing BEIJING RIBAO in Chinese
4 Apr 94 p 1

[Excerpt] When visiting Daxing County to learn about the its work, Chen Xitong, secretary of the municipal party committee, pointed out that townships and villages where conditions permit in developed plain areas may operate grain fields on as large a scale as possible in order to raise labor productivity, improve the comparable efficiency of grain production, and further stimulate peasants' enthusiasm for growing grain.

Chen Xitong recently went to Daxing County to visit the Huangcun satellite city, Liuminying Village of Changziying Township, and Dongdian Village of Qingyundian Town. He asked in detail about their agricultural production, small industrial zones, township enterprises, village and town construction, greening of plain areas, and life of villagers. He also visited enterprises and villagers' homes to talk with cadres and the villagers.

Located in plain area, Daxing County has fairly developed township enterprises and better conditions for grain production. When the party branch secretaries of Liuminying and Dongdian Villages reported that they had achieved better economic efficiency with less labor input thanks to operation on as large a scale as possible, Chen Xitong said: In order not to dampen peasants' enthusiasm for grain production, the state should provide support from various fields, and the municipality as well as counties and townships should continue their great support. In addition to this, developed plain areas may operate grain fields on as large a scale as possible in a selective and orderly manner when conditions permit in order to achieve high output, high quality, and high efficiency through expanding the scale and then raise labor productivity, increase income, and stimulate peasants' enthusiasm for grain production. Meanwhile, the large number of laborers laid off may be transferred to the secondary and tertiary industries. He pointed out: In developing agriculture, we should also emphasize accounting and improvement of labor productivity like enterprises do to make sure that growing grain can also make money. On the premise that the collective economy is consolidated and developed, the methods can be diversified. The method of operation on as large a scale as possible may be developed in the form of collective farms. It may also be developed in such a way that grain field management is contracted out to grain growing experts or large grain growing households and regular workers are reduced to the minimum. During busy seasons, temporary workers may be used, who will leave after work is finished. The fewer workers we hire, the better the productivity and comparable efficiency of grain production will be.

At a joint venture in Liuminying Village, a metal structure plant, Chen Xitong asked about its production and talked cordially with workers. He said to Wang Yaoping, the county party secretary, and other comrades: Township enterprises should be greatly developed because

they represent an extremely important way for rural areas to achieve prosperity. In rural areas, the number of people engaged in grain production should be small so that large numbers of peasants can be diverted from farmland to the secondary and tertiary industries. This is the way to make peasants affluent and lead a fairly comfortable life. As has been proven in practice, the better the township enterprises are developed in townships and villages, the faster their peasants will become affluent. In addition, the position of agriculture as the foundation will be safeguarded, and grain output increased. [passage omitted]

Beijing Secretary Discusses Investigation, Study Work

SK1504125194 Beijing BEIJING RIBAO in Chinese
6 Apr 94 p 1

[Excerpts] Recently, Beijing Municipality sponsored a joint work conference on investigation and study. During the conference, the opinions adopted by the municipal party standing committee were relayed and the arrangements for the investigation and study work this year were adopted. Attending the joint conference were leading comrades from the municipal party committee, the municipal people's congress standing committee, the municipal people's government, and the municipal Chinese People's Political Consultative Conference committee; directors of the research offices of various districts and counties; and some specialists and scholars. Chen Xitong, secretary of the municipal party committee, was also on hand and spoke. [passage omitted]

In his speech Chen Xitong cited the issue of how to further enhance the investigation and study work. He said: According to the spirit of directives issued by the central authorities and Comrade Jiang Zemin, we extensively and deeply carried out investigation and study throughout the municipality last year, which strengthened the scientific nature of policy decisions made by the leadership at all levels and promoted the realization of surpassing the 1992 work in an overall way. Thus, the municipality as a whole made a good and initial start in energetically encouraging the practice of investigation and study. He extended cordial regard on behalf of the municipal people's government to all personnel who had industriously worked in this regard.

In his speech Chen Xitong put forward the following four opinions on the issue of how to further and successfully conduct the investigation and study work this year:

1. Efforts should be made to surpass the work done in 1993. Although we scored results in the work last year, we should not relax our efforts and slow down the work this year. By no means should we "chop and change" in the work. We should strive to surpass the work done in

1993 in the fields of scoring achievements in the investigation and study work, making the usage of investigation and study results, building investigation and study network, and training cadres through investigation and study.

2. Efforts should be made to uphold the principle of having leading cadres take the lead in the work. The key to making success in investigation and study lies on leading cadres and particularly on the first leading cadres of party and government organs. We must have leading cadres take the lead in the work, turn the practice in this regard into a routine, and uphold the practice by carrying forward it forever. He pointed out: Leading cadres should have the following two basic skills: First, they should be able to carry out investigation and study. Without investigation and study, these leading cadres will have no right to voice their opinions and to join in the making of policy decisions and will be unable to truly possess the power of leadership. Second, they should be good at doing the work related to the masses. Without doing the work related to the masses, it is impossible for them to unify the masses' understanding with the party's line, principles, and policies; to bring the masses' enthusiasm into play; and to unite as one in striving to realize the fixed targets. Without the two skills, it is difficult for them to be a competent leader. In training and appraising cadres, attention should be paid to the two skills. In view of many new and young comrades who have been promoted into leading posts and bodies during the term-shift election at the county level, they should even make efforts to master or study well the work of investigation and study and to know well the skills as soon as possible.

3. Efforts should be made to vigorously revise or formulate and implement investigation and study plans. Units concerned have initially put forward their plan in this regard and should implement their plan vigorously. They should first select correct subjects for their investigation and study because an incorrect subject will directly and adversely affect results in this regard. One of the major reasons for the poor results scored by some units in their investigation and study work last year was their incorrect subject. It is necessary to select the subject closely according to the implementation of the spirit of the Third Plenary Session of the 14th CPC Central Committee; to the work guideline of the central authorities; to the municipal plan for becoming better-off; and to the adequate handling of relationship among reform, development, and stability. By firmly bearing the reality in their minds, units should select the subjects aiming at dealing with the problems in some fields and bringing along the work in some fields. Special attention should be paid to selecting the subjects aiming at resolving difficult, hot, and "knotty" problems. Various fronts, districts, and counties have reported their investigation and study subjects to the municipal authorities as of present. Therefore, all incorrect subjects may be readjusted. He stressed: After defining their subjects various departments, commissions, offices, and district-county

party committees should hold earnest discussion; set up work division among leading personnel; assign tasks to personnel; and organize or carry out investigation and study rapidly. The municipal party committee grasped the investigation and study on four occasion last year and will persistently do the same this year. The conference represents the first drive in this regard of the year. Through several-year or many-year efforts, we should gradually turn investigation and study into a routine and a necessary procedure for leadership to make policy decisions. In doing the work, by no means should we rely on inspiration, petty trick, and empiricism. Policy decisions made by relying on such things are dangerous.

4. Efforts should be made to continuously create favorable environment and work conditions for investigation and study and attention should be paid to dealing with the practical problems encountered by the investigation and study organs at all levels.

Chen Xitong said: Investigation and study represent a complicated and arduous work. Comrades engaging in this work are very laborious. Leadership at all levels should show concern for their work and life. Based on the work done in 1993 they should help the investigation and study organs deal with their practical problems cropping up in the fields of funds, post titles, duties, and investigation and study tours as well as better bring into play the enthusiasm of the personnel contingent.

Duan Bingren, member of the municipal party standing committee and secretary general of the municipal party committee, also attended and addressed the conference.

Campus-Run Hi-Tech Enterprises Operate in Beijing

OW1704022594 Beijing XINHUA in English 0144
GMT 17 Apr 94

[Text] Beijing April 17 (XINHUA)—A series of campus-run hi-tech enterprises have sprung up in Beijing recently.

Statistics show that in 1993 the output value of the campus-run enterprises in Beijing hit 2.6 billion yuan (about 330 million U.S. dollars), an increase of 2.3 times over 1992, with total profits of 400 million yuan, doubling 1992's figure.

In the 67 colleges and universities in Beijing, Beijing University, Qinghua University, the Beijing Polytechnical University and the Beijing University of Science and Engineering each report an annual output value exceeding 100 million yuan from their campus-run hi-tech enterprises.

The Beijing University Founder Group Corporation is in the lead, with an output value of 900 million yuan last year.

The corporation offers a series of new hi-tech electronic products to the market, such as the third generation of

cordless phone and picturephones, according to an official from Beijing University.

He attributed the success of campus-run enterprises to advanced technologies, skilled personnel and some government preferential policies.

Moreover, a technological foundation is expected to be set up to help the development of technology on the campuses.

Experts said that the emergence of these enterprises can help accelerate the process of turning technological achievements into industries and promote economic development locally, as well as support education.

Report on Beijing-Zhengzhou Railway Electrification Project

OW1604034394 Beijing XINHUA in English 0245
GMT 16 Apr 94

[Text] Shijiazhuang, April 16 (XINHUA)—The upgrading work of the Beijing-Zhengzhou railway electrification project is now in its crucial stage.

Most of the earth work of the project has been completed and the first electric line has been laid on this section of the Beijing- Guangzhou railway.

The upgrading project of the electrification section, which is about 283 km long, started in March 1993. It is expected to open for traffic by the end of 1995.

It is one of the ten key projects of China's railway construction during the Eighth Five-Year Plan period (1991-1995). All the electric wiring and major parts for the project were imported and full use is being made of new- and high-technology.

Beijing, Aviation Industry To Manage Aeronautics University

SK1504112394 Beijing BEIJING RIBAO in Chinese
2 Apr 94 pp 1,4

[By Reporter Mao Jing (3029 0079): "The Aviation Industry of China and the Beijing Municipal Government Jointly Manage Beijing Aeronautical and Astronautical University"]

[Excerpts] On the afternoon of 1 April at the Great Hall of the People, the Aviation Industry of China and the Beijing Municipal People's Government held a ceremony to sign the agreement on jointly managing Beijing Aeronautical and Astronautical University. Zhu Yuli, general manager of the aviation industry of China; and Li Qiyan, mayor of the municipality, signed the agreement.

Beijing Aeronautical and Astronautical University is a famous university in our country. Over the past 40 years or so since its founding, the university has cultivated more than 40,000 skilled persons for our country's aeronautical and astronautical industries and some other

economic spheres. This university has rich teaching forces, many branches of learning, 36 undergraduate specialized courses, 60 master courses, 20 doctorate courses, 3 academicians of Chinese Academy of Sciences, 82 teachers for the students engaged in the study of doctorate, and nearly 10,000 students. The joint management of this university between the Aviation Industry of China and the Beijing Municipal government is a result from the mutual cooperation to promote educational reform and development and is to create conditions for further bringing into play the university's advantages and potentials of cultivating high-layered and high- quality skilled persons, making high-scientific and high- technological research, participating in the "211" project, and developing itself into the first-grade university.

According to the agreement, the university should jointly be managed by the both sides. The university will still be administratively subordinate to the Aviation Industry of China and its investment system and outlay channels will not be changed. The university will continue to cultivate skilled persons to meet the needs of the aeronautical industry and undertake and also fulfill the tasks assigned by the aviation industry of China. The Beijing Municipal Government will support the university's reform and development, bring the university into line with the municipal plan for higher educational and scientific and technological development, and support the university to conduct educational reform on a trial basis. The municipal government will put the university's new area project and campus reconstruction project as well as some of its key projects, including the projects built with the funds invested and donated by foreign firms, including Ruina Group, into the list of the municipal key construction projects. The aviation industry of China will support the university to positively help the university upgrade its teachers' quality and cultivate urgently-needed higher- level skilled persons and to serve the municipality's scientific and technological progress, economic construction, and urban development. Through consultation, both sides will cooperatively organize the university leading group and jointly study and solve the key problems cropping up in the course of joint management.

Cheng Xitong extended greetings to the signing of the agreement. He said that going into real action is better than outlines. I hope that the agreement will not become a mere scrap of paper. He urged that we should actually fulfill the agreement, do solid work, and realize the agreement. [passage omitted]

Xie Guang, chairman of the scientific work committee under the Ministry of National Defense; and Zhang Xiaowen, vice chairman of the state education commission, made speeches at the ceremony. They expressed their support to the joint management of the university and believed that the university would make progress.

Present at the signing ceremony were leaders of state departments and commissions concerned and Beijing

Municipality, including Lin Zongtang, Gan Ziyu, Zhu Lilan, Gao Zhenning, Xu Boling, Zhang Yanzhong, Li Zhijian, Tao Xiping, Hu Zhaoguang, Chen Dabai, and Fan Yuanmo.

Northeast Region

Heilongjiang Sets Guidelines for Radio, TV Broadcasting

SK1504134094 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 14 Apr 94

[Text] After a three-day session, the conference sponsored by the provincial radio and television broadcasting department with the participation of directors of the radio and television broadcasting bureaus and stations of various prefectures and cities concluded in Harbin on the afternoon of 14 April. During the conference, the spirit of the national work conference on propaganda and ideology was relayed; the experiences gained in implementing the tasks adopted at the provincial work conference on radio and television broadcasting were summarized and exchanged; and the issues of how to have the radio and television departments reinforce their vitality in the course of establishing the systems of socialist market economy as well as successfully conduct propaganda activities and develop radio and television broadcasting undertakings were emphatically discussed.

During the conference, the participating comrades contended that the provincial work conference sponsored in November 1993 on radio and television broadcasting was a grand gathering of unprecedented size in the province's history of radio and television broadcasting development. The spirit of the provincial work conference in this regard has begun to promote or is promoting the development of radio and television broadcasting undertakings in the province. Although only six months have been over after the provincial work conference in this regard, the work to implement the spirit of the work conference has won initial success and a favorable and encouraging trend in the work has taken shape. The leading bodies of party committees and governments at the prefecture-city level have generally listened to the report given by the radio and television broadcasting department and formulated actually feasible measures for stabilizing the broadcasting organs at the county level, consolidating the rural broadcasting network, and carrying out propaganda management. Some units have also made great and important moves. For example, the Su fenhe city party committee and people's government summarized in a timely manner their experience and lessons gained in this regard; restored the operation of some city radio and television broadcasting organs that had been once revoked according to their local reality; and enhanced the systematic management over the radio and television broadcasting front. Such acts conducted by them have evoked strong repercussion among the radio and television broadcasting departments throughout the province.

It was emphatically pointed out at the conference that radio and television broadcasting departments at all levels are facing a severe test. They should not only do a good job in being the mouthpiece of the party, government, and the people, but also steadily deepen their self improvement. This requires them to always regard as a guiding principle the socialist theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics and to do a good job in guiding public opinions and setting people's minds at rest. In conducting the propaganda work, they should consciously uphold the principle of applying the scientific theories to arming the people; applying correct public opinions to guiding the people; adopting lofty spirit to educate the people; and using the outstanding works to encourage the people. They should truly achieve in being really helpful and refraining from adding turmoil to society, playing the main melody and refraining from creating noise, paying attention to social benefits and refraining from forgetting the righteousness while seeing the interest, observing the propaganda discipline and refraining from going their own way, presenting concrete facts and refraining from being pretended, and vigorously grasping implementation and refraining from indulging in formalism. They should also make contributions to realizing political stability, social peace, and economic development in the province.

It was pointed out at the conference that radio and television broadcasting departments are facing so many difficulties of which, the prominent one is the strained situation in funds. They should continuously seek more support and investments from the state on one hand and concentrate their efforts on tapping internal potential on the other hand by deepening their self improvement and upgrading the quality of personnel's contingent and propaganda work so as to truly provide for the people rich, colorful, and healthy nourishments for the mind, which can encourage the people to make progress.

At the conference responsible comrades from the provincial radio and television broadcasting department and the radio and television broadcasting bureaus of various prefectures, cities, and fronts voiced their opinions on their future work of carrying out propaganda management, developing broadcasting undertakings, conducting technical management, and of building spiritual civilization.

Airline Plays Role in Afforesting Inner Mongolia

OW1604072894 Beijing XINHUA in English 0640 GMT 16 Apr 94

[Text] Hohhot, April 16 (XINHUA)—The Inner Mongolia branch of China International Airlines has grown trees by way of aerial seeding on more than 700,000 ha of land in north China over the past more than a decade years.

North China has vast arid or semi-arid areas, with scarce vegetation and serious desertification. Forest cover in

north China is lower than 10 percent. The development of the local economy has thus been seriously hampered.

Beginning in the late 1970s, the company was assigned to shoulder the task of planting trees in north China through aerial seeding.

As a result, the ecological environment, and production and living conditions of farmers and herdsmen in those areas selected for aerial seeding have shown marked improvement thanks to painstaking efforts in the past decade, local officials told XINHUA.

Liaoning Secretary on Recommendation of Young Cadres

SK1804085894 Shenyang LIAONING RIBAO in Chinese 5 Apr 94 p 1

[Text] On the afternoon of 4 April, the provincial party committee held a provincial meeting on democratic recommendation of excellent young cadres. At the meeting, principal leading cadres and veteran comrades in all fields of the province were urged to extensively recommend suitable persons for reserve cadres at the provincial and city (departmental) levels based on the demands of the province's economic construction and the building of leading bodies. Through democratic recommendation, the field of vision and the channels to appreciate the cadres' capabilities were expanded and a number of young cadres were discovered, thus providing organizational preparations for the readjustment of leading bodies at all levels and for the shift of terms of the provincial party committee and party committees of various cities next year.

Attending the meeting were leading comrades of the provincial party committee and other provincial-level leading bodies; some former veteran comrades of the provincial level; principal responsible comrades of various departments and commissions under the provincial party committee; secretaries of the leading party groups and party committees of various provincial-level units, the provincial higher people's court, the provincial people's procuratorate, various people's groups, and various central units stationed in Shenyang; chairmen of various democratic parties and industrial and commercial federations; secretaries of party committees of various cities; deputy secretaries in charge of organizational work and directors of organizational departments under various city party committees; cadres and personnel section heads of various provincial-level units, about 500 persons in total.

Wang Huaiyuan, deputy secretary of the provincial party committee, presided over the meeting. He said: This meeting is an important one held by the provincial party committee to adopt feasible measures to replace old cadres with new ones, to further perfect the structure of leading bodies, to make leading bodies more vigorous, to strengthen the construction of leading bodies, and to

ensure and promote the development of economic construction and all other undertakings. The current democratic recommendation was conducted in the form of being mobilized by the provincial party committee in a unified manner, being arranged by various localities and departments, respectively, being recommended by oneself, and being concentratively estimated by the organizational department of the provincial party committee.

Yu Junbo, standing committee member and director of the organizational department of the provincial party committee, made specific explanations of the work of how to democratically recommend excellent young cadres.

Gu Jinchu, secretary of the provincial party committee, delivered an important speech at the meeting.

Gu Jinchu said: In the new historical period, we should carry out three projects: 1) Winning the hardest battle of again pushing the economy on the new stage; 2) establishing the socialist market economic structure; and 3) successfully building leading bodies at all levels. These three projects are closely connected with one another. Of them, the project of successfully building leading bodies constitutes an important guarantee for accomplishing the first two projects. In building leading bodies, an urgent and conspicuous task at the moment is to vigorously select and train young cadres.

On how to examine and evaluate young cadres, Gu Jinchu said: In evaluating young cadres, we should persist in seeing innate character, main trend, practical achievements, and development potential. In seeing the innate character, we should primarily see whether young cadres have a correct outlook on the world and on life, are wholeheartedly serving the people, and have a strong sense of dedication and responsibility for developing the socialist productive forces, for enhancing China's comprehensive strength, and for improving the people's living standards. By the main trend, we mean making an all-round, objective, and dialectical analysis of strong and weak points of young cadres and then having a good command of their major factors. By practical performances, we mean judging whether young cadres are working in a down-to-earth manner and quietly immersing themselves in hard work or are merely paying lip service and pursuing personal fame and gain, and whether young cadres are working hard for the present, giving consideration to the long-term interest, and laying solid foundation or are eager for quick success and instant benefit. At the moment, in evaluating the performances of young cadres, we should pay special attention to their style of work and see whether they are realistic and practical in work, whether they can find out the real situation, tell the truth, strive for practical results, and are as good as their words. By development, we mean the development potential of young cadres. Generally speaking, young cadres lack experience in leadership and are poor at handling complicated contradictions, but they have the potential for continued development as decided by the foundation of their quality. So long as we

bravely promote those excellent young cadres with great potential to leading posts and let them work at their posts, they will be adapt to their work rapidly.

Gu Jinchí stressed: In the current democratic recommendation, we must emancipate the mind, broaden the field of vision, and seek suitable persons from an even wider scope. We should emphatically search talents from the first line of reform, opening up, and economic construction. We should select talents not only among leading organs but also grass-roots units, the county (city) and district leading posts in particular. We should select talents not only among large and medium-sized state-owned enterprises, institutions of higher learning, and scientific research institutes but also among the cadres emerging in all sorts of new economic organizations. We should select talents not only among our own localities, departments, and fronts but also positively recommend excellent talents of other localities and units, in particular the talents of the localities and units advanced in building two civilizations.

Gu Jinchí called on party committees at all levels to strengthen leadership, pay attention to selecting and training young cadres, and actually list this work as an item of their daily agenda.

Liaoning Secretary Contributes Money for Hope Project

SK1604002694 Shenyang LIAONING RIBAO in Chinese 30 Mar 94 p 1

[Text] Recently, Gu Jinchí, secretary of the provincial party committee, has pointed out that the organs directly under the provincial authorities should take the lead in valuing and supporting the construction of "project hope" and should understand and resolve, from the high plane of strategy, the problem concerning the schooling of dropouts in poverty-stricken areas, by having their eyes on the future and on the improvement of the quality of all nationalities. Gu Jinchí also took the lead in contributing 300 yuan to the project.

Recently, Xu Wencai, secretary general of the provincial party committee, called on the general office of the provincial party committee to take the lead in contributing money for promoting the building of "project hope" among the organs directly under the provincial authorities and even all over the province. A few days ago, Cui Wenxin, director of the general office of the provincial party committee, convened a meeting of cadres at or above the section level of the general office to conduct mobilization for this work. It was stressed at the meeting that the CPC Central Committee and the provincial party committee were attaching great importance on the "hope project" and on the efforts of resolving the problem concerning the schooling of the children who discontinued their studies in poverty-stricken areas. The meeting called on the vast numbers of party members, cadres, staff, and workers to voluntarily contribute money for building the "hope project." Through this activity, the spirit of selfless dedication and

the spirit of happily helping others have been carried forward, the sense of being responsible for society has been enhanced among the vast numbers of party members, cadres, staff, and workers, and the office's building of spiritual civilization has been promoted. In as short as 10-odd days, a total of 50,174 yuan has been donated by 896 comrades of the general office and by some units.

Among the leaders taking the lead in contributing money were Gu Jinchí, secretary of the provincial party committee; Wang Huaiyuan, deputy secretary of the provincial party committee; Xu Wencai, standing committee member and secretary general of the provincial party committee; and Guo Feng, Dai Suli, Li Huang, Hu Yimin, Ge Xifan, Chen Yiguang, Liu Yiyun, Zhu Chuan, and Luo Dingfeng, veteran comrades of the province.

On 29 March, the general office of the provincial party committee presented the donated money to the Chaoyang city office in charge of project hope. The Chaoyang city party committee has decided to build a hope primary school in Shangzhi Village in Chaoyang County's Wanglungou Township, the hometown of Revolutionary Martyr Zhao Shangzhi.

Northwest Region

Gansu Governor Reports to Congress Session

HK1504142994 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 2 Apr 94

[Excerpts] The Second Session of the Eighth Gansu Provincial People's Congress was solemnly inaugurated in Lanzhou on the morning of 2 April. Presidium executive Chairman Lu Kejian declared the second session open at 0900 in the morning.

On behalf of the Gansu Provincial People's Government, provincial acting Governor Zhang Wule delivered at the congress session a work report in which he reviewed the provincial people's government work over the past year and made work arrangements for this year. Speaking of the provincial people's government work over the past year, acting Governor Zhang Wule said: Over the past year, guided by the spirit of the 14th CPC National Congress, the provincial people's government has conscientiously carried out work, has energetically built a socialist market economic structure, has deepened reform, has expanded opening up, has grasped each and every excellent opportunity to expedite development, has overcome a host of difficulties, and has successfully accomplished all major tasks and attained all major goals laid down by the First Session of the Eighth Gansu Provincial People's Congress.

Acting Governor Zhang Wule noted: This year, we should comprehensively implement the spirit of the Third Plenary Session of the 14th CPC Central Committee and the spirit of the Eighth Gansu Provincial CPC Congress, should correctly handle the relations

between reform, development, and stability, should further accelerate the pace of reform, and should expand opening up to the outside world. We should further consolidate agriculture as the foundation, should energetically press ahead with economic structural readjustment, should speed up scientific and technological progress, should vigorously raise economic efficiency, and should strive to bring about sustained, rapid, and healthy economic and social development throughout the province. This year is the first year for implementing "The Third Plenary Session of the 14th CPC Central Committee Decision" and the final year for implementing the Gansu Provincial CPC Committee's strategy aimed at pushing the province's economic growth onto a new stage and fulfilling the Eighth Five-Year Plan ahead of schedule.

Acting Governor Zhang Wule asserted: Deputies, this is a critical year for Gansu's reform, opening up, economic construction, and other types of work. We should unite the people of all nationalities in the province, should rally more closely around the CPC Central Committee with Comrade Jiang Zemin as the core, should firmly grasp each and every excellent opportunity, should overcome difficulties, should work with one heart and one mind, vigorously forge ahead, and make energetic efforts to make Gansu stronger and more prosperous, should conscientiously implement and carry out the spirit of the Third Plenary Session of the 14th CPC Central Committee and the spirit of the Eighth Gansu Provincial CPC Congress, and should strive to attain all goals set at the current session and comprehensively fulfill the Eighth Five-Year Plan ahead of schedule.

Those serving as the second session presidium chairmen and sitting at the rostrum were: [Provincial Party Committee Secretary] Yan Haiwang, Rao Fengzhu [provincial discipline inspection commission secretary], Wang Jintang [provincial vice governor and people's armed police corps first political commissar], among others.

Also invited to sit at the rostrum at the opening session were: Lieutenant General Liu Jingsong, Lanzhou Military Region commander; Lieutenant General Cao Pengsheng, Lanzhou Military Region political commissar; Lieutenant General Ma Zhanmin, Lanzhou Military Region Air Force commander; Major General Zhang Gui, Lanzhou Military Region Air Force political commissar; and Major General Wang Peisheng, a certain Gansu-based People's Liberation Army unit deputy political commissar. Wang Shiwen, provincial higher people's court president, Li Dekui, provincial people's procuratorate chief procurator, and a number of retired veteran leaders also sat at the rostrum at the opening session. [passage omitted]

More than 700 people attended the Second Session of the Eighth Gansu Provincial People's Congress as non-voting delegates, including: The Gansu deputies to the Eighth National People's Congress, the persons in charge of various provincial party committee and people's government departments, the persons in charge of various

provincial people's congress standing committee departments and work committees, the provincial Chinese People's Political Consultative Conference [CPPCC] committee members attending the Second Session of the Seventh Gansu Provincial CPPCC Committee, the persons in charge of various provincial mass organizations and units concerned, and the persons in charge of various county, city, and district people's congresses standing committees.

In a related development, the Second Session of the Eighth Gansu Provincial People's Congress called a second meeting chaired by presidium executive Chairman Ma Yuhai on the afternoon of 2 April.

The meeting heard the following reports:

1. "The 1993 Gansu Provincial Economic and Social Development Plan Implementation Report" and "The 1994 Gansu Provincial Economic and Social Development Plan (Draft)" delivered by Zhu Zuoyong, Gansu Provincial Planning Commission chairman; and,
2. "The 1993 Gansu Provincial Financial Estimates Implementation Report" and "The 1994 Gansu Provincial Financial Estimates (Draft)," delivered by Zhang Wenqi, Gansu Provincial Finance Department director.

The provincial CPPCC committee members attending the Second Session of the Seventh Gansu Provincial CPPCC Committee also attended the meeting as non-voting delegates. [passage omitted]

In the government work report he delivered at the Second Session of the Eighth Gansu Provincial People's Congress, provincial acting Governor Zhang Wule said: Last year, thanks to the sustained, rapid, and healthy economic growth across the province, the province's total domestic output value reached 34.9 billion yuan, representing a 10.7 percent increase over the previous year. Financial revenue came to more than 5.2 billion yuan, a 30.5 percent increase over the previous year, and total grain output reached 7.5 billion kilograms. Per capita income among peasants was 563 yuan, and total industrial output value amounted to 50.18 billion yuan, a 14.7 percent increase over the previous year. The production and marketing rate was 96.7 percent, and the total volume of retail sales for social commodities came to 16.19 billion yuan.

Acting Governor Zhang Wule continued: Last year, the province also made continued efforts to readjust the industrial structure and product mix, vigorously developed urban and rural markets—including specialized markets and key production elements markets—energetically built communications, transportation, posts and telecommunications, urban public utilities, as well as other infrastructure facilities.

Acting Governor Zhang Wule noted: Over the past year, the province has continually expanded opening up to the outside world, with the result that foreign economic

organizations have set up a total of 87 offices in Lanzhou. Besides, the province has established more than 60 enterprises in foreign countries and regions. A total of 500 enterprises run with three types of capital [foreign capital, overseas Chinese capital, and both Chinese and foreign capital] have been registered in the province, thereby raising the total number of such enterprises to 723 and the total amount of investment in such enterprises to \$960 million, of which foreign investment accounts for \$400 million. In 1993, despite difficult conditions, the province still successfully raised the total import and export trade volume to \$480 million, of which the total export volume accounted for \$280 million. Moreover, the province also achieved marked results in developing tourism, promoting technological exchanges, inviting qualified overseas personnel, utilizing foreign government loans, providing financial assistance to foreign countries and regions, contracting and building overseas projects, and providing labor services to foreign countries and regions. The province further deepened all types of lateral economic associations; strengthened cooperation and coordination among enterprises, between industry and trade, between agriculture and trade, and between production and scientific research; and established a new batch of economic, trade, and scientific research associations.

Gansu People's Congress Session Closes

HK1704084294 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] The Second Session of the Eighth Gansu Provincial People's Congress closed in Lanzhou city yesterday afternoon. The session was presided over by Lu Kejian, executive chairman of the session presidium. The session adopted a resolution on the provincial people's government work report, stating that the report had reviewed last year's work based on facts and in a realistic manner, and had set forth positive and practicable measures and feasible tasks for the new year. The session urged all people throughout the province to work together with one heart and one mind, strive to do a still better job, be determined to carry on reform, blaze new trails, and work really hard to fulfill all the targets that have been set for the turn of the century.

Deputies to the session also adopted resolutions on the implementation of the 1993 Gansu province economic and social development plan and on the 1994 provincial economic and social development plan, on implementation of the 1993 provincial financial budget and on the 1994 provincial financial budget, and on the provincial people's congress standing committee, the provincial higher people's court, and the provincial people's procuratorate work reports.

The newly elected governor, Zhang Wule delivered an impromptu speech. He first expressed his thanks to all the deputies for their support and to the people of all nationalities in the province for their trust in him. He said: This year will be an unusual year, as the central

authorities have introduced a series of major reform measures, which will offer opportunities as well as challenges to our province. I deeply feel the grave responsibility on me.

Zhang Wule said he would pay attention to three things. First, every effort will be made to increase Gansu province's economic strength. Second, efforts will be made to improve the living standards of all the people in the province, urban and rural alike. And third, it is necessary to cultivate a good social mood and a fine social environment.

Zhang Wule noted that this year the province would concentrate its attention on implementing plans regarding the development of honest and clean government, in the hope of satisfying all the deputies to the people's congress and the people of all nationalities throughout the province. His speech won the enthusiastic applause of the participants in the session.

The executive chairmen of the presidium presiding over the afternoon meeting were: (listed in the order of the number of strokes in their surnames) Ma Yuhai, Wang Jintang, Pan Jiuxing, Sun Ying, Lu Hao, Pu Peie, Rao Fengzhu, Yan Haiwang, and Jiabuniang Lesheng Jiumei Tudanquejimeima. Seated on the rostrum were Li Ziqi, Wang Shitai, Xu Feiqing, Ge Shiyang, Li Bulin, Song Zhaolong, Shi Jinyuan, Liang Peigen, Lu Benjiu, Liu Yuhai, Xing Anmin, Li Fuquan, Wang Daoyi, Ma Jinqing, Li Wenhui, Wang Ganchang, and other members of the presidium. Also seated on the rostrum were leading people of the provincial people's congress, the provincial government, the CPPCC provincial committee, the provincial higher people's congress, the provincial people's procuratorate, and a certain unit of the People's Liberation Army, including Comrades Zhang Wule, Ke Maosheng, Lu Ming, Chen Qiling, Cui Zhenhua, Tan Jiqing, Wang Ping, Chen Jianhong, Ying Zhongyi, Lu Daxu, Sun Guoquan, Wang Peisheng, Wang Shiyuan, Xu Dekui, and Qin Bing. Some old comrades residing in Lanzhou, including Chen Xu, Wang Yaohua, Liu Lanping, He Jianshan, Ma Tili, Ma Zuming, Qian Qiwei were also present at the session.

Zhang Wule Elected Gansu Governor

HK1804014294 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] The Second Session of the Eighth Gansu Provincial People's Congress called its fourth meeting yesterday afternoon. The meeting was presided over by the executive chairman of the session presidium, Mu Yongji. The actual number of deputies present at this session were 500, which was up to the quorum.

The session elected Zhang Wule to be the governor of Gansu province; Ke Maosheng to be vice chairman of the standing committee of the Eighth Gansu Provincial People's Congress; Yang Jixiong and Li Shanping to be members of the standing committee of the Eighth Gansu Provincial People's Congress.

Executive chairmen presiding over the yesterday meeting were Jing Shengcai, Ma Xiangyan, Ma Guanluo, Wang Ganchang, Liu Shengrong, Liu Yuhang, Sun Zhaoxia, Yang Bingchang, Li Zihu, Li Fusheng, Zhang Guanting, Gou Shouzhong, Zhao Jingzhong, Pu Huie, Song Zhaozhong, Xu Xiyang, and Guo Jichang.

New Gansu Governor Zhang Wule's Curriculum Vitae

HK1804035994 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 9 Apr 94

[Text] Curriculum vitae of Zhang Wule, newly elected governor of Gansu province:

Zhang Wule, male, Han nationality, born in April 1937, a native of Anxin county, Hebei province. Joined the CPC in January, 1982. [as heard] Worked as a teaching assistant in the Department of Mechanical Engineering, Beijing Iron and Steel Industry College after graduation from the college in 1959. Later successively held the following posts: Head of the technical group of Dingyuan Mining Zone; [title indistinct] engineer, head of the Design Office, deputy chief engineer and concurrently head of the Planning Office, plant manager and member of the standing committee of the party committee of Lanzhou Iron and Steel Works. In 1985, appointed vice governor of Gansu province, concurrently director of the provincial planning commission and member of the standing committee of the provincial party committee. In late April 1993, appointed deputy secretary of the Gansu provincial party committee, vice governor acting as governor.

U.S. Visitor Becomes First Mayor To Visit Qinghai Province

OW1704084194 Beijing XINHUA in English 0750 GMT 17 Apr 94

[Text] Xining, April 17 (XINHUA)—Pat Berndt, mayor of the City of Yakima, Washington State, has concluded a four-day visit to Xining, capital of China's hinterland province of Qinghai.

Berndt, who is leading a delegation from Yakima, is the first U.S. mayor that Qinghai has ever received. Xining was designated an open city by the State Council in 1992.

The visitors had discussions with local leading officials on Yakima and Xining becoming friendship cities and explored possibilities for the two sides to cooperate in animal husbandry, education and tourism.

Berndt told XINHUA that Qinghai is very rich in natural resources and the cooperation holds big potentials for the two sides.

Qinghai Fulfills 40 Percent of Treasury Bonds Quota

HK1804071594 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 11 Apr 94

[Text] This year Qinghai Province's distribution of treasury bonds has progressed smoothly. So far the province has distributed two-year treasury bonds worth 44 million yuan or so, completing some 60 percent of the assigned task, and three-year treasury bonds worth 61 million yuan or so, fulfilling more than one-third of the task. The province was assigned a quota 240 million yuan worth of treasury bonds this year.

To ensure the smooth completion of the task, leaders from localities at all levels of the province have attached great importance to the task and gone down to various bond distributing units one after another to inspect the implementation of the various distribution measures taken and study and seek solutions to existing problems. While doing vigorous publicity work, the financial institutions and treasury bond intermediary organs of the financial departments, which were assigned the task of distributing bonds this year, have paid keen attention to offering better services in various aspects of bond distributions. In the course of bond distribution, all banks have done their best to set up more distributing outlets and appropriately extend their working hours. The Bank of China Qinghai Branch, which has well-operated grass-roots distributing outlets, and the intermediary organs of the financial departments at all levels dispatched personnel to go down to grass-roots units to do propaganda and mobilization work, organize registration of those who underwrite in advance, and carry out the sale of treasury bonds in a concentrated way to expand sales. As far as the business of exchanging old treasury bonds for new ones, which was introduced this year, all underwriting units have also taken various measures to simplify the buying and [words indistinct] procedures to make things convenient for people to buy the bonds.

In light of the recent distribution of treasury bonds in our province, a person in charge of a relevant department said: All underwriting units should do an active job of propaganda and mobilization work and offer better services. The province's task of distributing treasury bonds this year is expected to be completed at an early date.

Shaanxi Sees 'Substantial Increase' in Foreign Trade

HK1504105094 Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 9 Apr 94

[Text] According to XIAN WANBAO [Xian Evening News], in the first quarter of 1994, Shaanxi registered a substantial increase in its total volume of trade with foreign countries. Incomplete statistics have shown: In the first quarter of this year, the province's import and export volume amounted to \$1.465 billion, representing a rise of 76.7 percent over the same period last year, of

which the import volume was \$1.113 and the export volume was \$242 million, both registering increases from the corresponding period last year. The export goods which saw a relatively significant increase were primarily textiles, machinery and electronic products, and clothes. The imported goods that saw similar

increases were primarily metal processing lathes, spinning and weaving machines, and aircraft. In terms of the export product mix, textiles ranked first, occupying the leading position, and the export of textile products and [word indistinct] was on the rise. This showed that the export product mix improved.

**'Source' Says Mainland Soldiers 'Murdered'
Taiwan Tourists**

OW1804084594 Taipei Voice of Free China in English
0200 GMT 18 Apr 94

[From the "News" program]

[Text] A government source quoting intelligence report said that a group of renegade Mainland Chinese soldiers murdered 24 Taiwan tourists who died in a mysterious boat fire in Mainland China last month.

The source told REUTER a number of People's Liberation Army soldiers, armed with flame-throwers, robbed and burned to death the tourists and eight Mainland Chinese crew of the boat on Chientao [Qiandao] Lake in the Province of Chekiang [Zhejiang] on 31 March.

Mainland Chinese authorities found out about the murders the next day but decided to cover them up and ordered the loot to be returned because the impact of the incident could be far-reaching, the source claimed, quoting intelligence which has been described as authoritative.

The deaths of the tourists under mysterious circumstances have strained uneasy relations between Taiwan and Mainland China. Relatives of the victims have accused Mainland China of covering up what they alleged to be mass murder. Mainland China acknowledged last week that the blaze might have been caused by saboteurs. It pledged that the culprits would be severely punished.

Further on Incident

HK1704052294 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 17 Apr 94 p 1, 6

[Text] A Taiwanese Government source, quoting intelligence reports, claimed yesterday that 24 Taiwanese tourists who died in a mysterious boat fire on the mainland last month were in fact murdered by a group of renegade Chinese soldiers. The source said People's Liberation Army troops, armed with flame-throwers, robbed and burned to death the tourists and eight Chinese crew while the boat was touring Qiandao Lake in Zhejiang province on March 31.

Mainland authorities discovered the murders the next day but covered them up and ordered the loot to be returned because "the impact of the incident could be far-reaching", the source claimed, quoting intelligence he described as "authoritative".

The deaths have seriously strained uneasy relations between Taiwan and China, bitter rivals since the Chinese civil war ended in 1949. Relatives of the victims have accused Beijing of covering up what they alleged to be mass murder. They raised several questionable points, including why the victims did not jump ship when the fire began and were instead huddled in the small cabin below. Relatives visiting the death scene last

week to recover victims' remains said the authorities restricted their movements. They said officials had also insisted the remains be cremated in China instead of being taken to Taiwan.

China acknowledged the blaze might have been caused by "saboteurs". It pledged that the culprits would be severely punished after Taiwanese leaders called Chinese authorities "bandits ... trampling on human lives".

In Beijing, officials from the State Council and the ministries of foreign affairs and defence could not be reached for comment on the new allegations.

Taiwan will suspend all group tours to China from May 1 and has declared 11 scenic spots, including Qiandao Lake and Lhasa in Tibet, high-risk areas for travel. About 10,000 Taiwanese have already backed out of tours to China, with about 450 group tours already canceled at a cost of US\$11.4 million (HK\$88 million) to Taiwanese travel agents. Chinese officials estimate that more than one million Taiwanese travellers last year pumped at least \$589 million into China's economy.

The island has also suspended subsidised cultural and educational exchanges with China, and the Economics Ministry has recommended putting on hold applications for new or additional investment in China and expansion of imports from the mainland.

China has urged authorities in Taiwan to "handle the matter in a rational and cool-minded manner so as to avoid a setback in relations". Meanwhile, Chinese President Jiang Zemin appealed for increased ties with Taiwan and the restoration of direct air post and maritime links, major Chinese newspapers said yesterday. "The reunification of China is a historic mission, the will of the people and irreversible," Mr Jiang was quoted by the papers as saying at the end of a five-day meeting of the State Council.

Beijing has given assurances the fire was purely accidental and repeatedly said it was no reason for a deterioration of relations between the two sides. During the meeting, Premier Li Peng called for Taiwanese business to invest in China even as many were announcing the cancellation of projects in protest of the boat fire.

Despite an 18-year-old modernisation drive, the PLA, which encompasses all three armed services, operates largely above the law, analysts say. Hong Kong maritime officials say many Chinese smuggling syndicates operate with the navy's tacit consent. They say PLA coastal patrols often raid ships and seize their cargos on the pretext of curbing smuggling. Military officers have been seen driving righthand-drive cars, which cannot be legally registered in China and are presumed to have been stolen in Hong Kong.

SEF Leader Demands Details

OW1804085894 Taipei CNA in English 0808 GMT
18 Apr 94

[By Lilian Wu]

[Text] Taipei, April 18 (CNA)— Officials and relatives of the victims who died in the March 31 Qiandao Lake boat disaster Monday [18 April] said they were skeptical of Beijing reports that three men involved in the killing of 24 Taiwan tourists had been arrested.

Beijing's XINHUA NEWS AGENCY said Sunday that Wu Lihong, 22, Yu Aijun, 23, and Hu Zhihan, 24, all from Zhejiang Province, robbed the tourists and then killed everyone on board the ship.

This is the first time that Beijing has admitted that the deaths were not the result of an accident, but resulted from foul play.

Mainland Chinese Premier Li Peng said Monday in Beijing that the boat disaster was a major criminal case. He said that those arrested would be dealt with according to the law.

Li also offered his condolences to those killed in the boat disaster. He made the remarks in a news conference before his departure for a visit of the Central Asian States and Mongolia.

Mainland Affairs Council (MAC) officials said Beijing failed to provide any details of the accident other than the names of the three men arrested. They urged Beijing authorities to disclose the reason and method behind the murder in written statements.

They said that the lifting of a Taiwan ban on cross-strait cultural and other exchanges imposed in the wake of Qiandao disaster would hinge on whether these details were released.

Straits Exchange Foundation (SEF) Deputy Secretary-General Li Ching-ping, also said that Beijing's report that three men were arrested in connection with the case was not enough, he demanded a detailed report on the investigations. The foundation is Taipei's conduit for unofficial dialogue with Beijing.

He said that Beijing's summary report through XINHUA NEWS AGENCY only bred more doubts and misgivings about the case.

Ko Chen Hui-mei, mother of victim Kao Yu-lan, said she did not believe three men could overwhelm all 32 people on board. She suspected the three were scapegoats.

Meanwhile, Hsu Chin-jui, chairman of the Taipei Association of Travel Agents, said Monday that a planned boycott of mainland travel starting May 1 would continue.

'Sources' Say Patriot Missiles To Be Deployed

OW1604110494 Taipei Voice of Free China in English
0200 GMT 16 Apr 94

[From the "News" program]

[Text] The mass circulation UNITED DAILY NEWS reported Thursday [14 April] that Taiwan will deploy 200 U.S. Patriot missiles as part of a program to upgrade its air defense.

The newspaper quoted unnamed sources as saying that three battery of Patriot missiles like those used in the Gulf War against Iraq's Scud missiles will be installed in northern Taiwan.

The newspaper did not say when the missiles will be deployed nor when they might be delivered.

The Defense Ministry declined to comment.

Taiwan's defense budget for the year to 1995 included U.S.\$118 (?million) allocation for the purchase of an unspecified number of modified air defense systems. [words indistinct] Patriot missiles.

Taiwan has made large purchases of advanced weapons from abroad in recent years, including 150 F-16 jet fighters (?worth) U.S.\$6 billion from the United States in 1992. Mainland China [words indistinct] against the purchase.

Taiwan said it needs the fighters to strengthen its military to maintain a balance with archrival mainland China.

Taipei Concerned About Medan Labor Rioting

OW1804092794 Taipei CNA in English 0820 GMT
18 Apr 94

[By Sofia Wu]

[Text] Taipei, April 18 (CNA)—The Republic of China [ROC] has ordered its representative office in Indonesia to help protect the safety of Taiwan businessmen there in the wake of a labor riot in the northern Sumatran city of Medan, a Ministry of Foreign Affairs Spokesman said Monday [18 April].

"We have expressed our concern about the Medan labor rioting to the Indonesian Government and have ordered our representative office in Jakarta to strengthen protection for our businessmen there," said Ouyang Jui-hsiung, director of the Ministry's Department of Information and Cultural Affairs.

According to foreign wire service reports, a labor protest at a Medan factory over wages and holiday bonus payments last Thursday turned into a highly-charged race riot against the economically dominant ethnic Chinese. Banks, shops and cars in Medan and several other Sumatran cities were attacked and one person was reported killed.

Ouyang, quoting reports from Taipei's representative office in Jakarta, said the riot in Medan has almost been quelled and life there has begun to return to normal.

He added it remains to be seen whether the incident would affect the government's "southern strategy," which encourages Taiwan manufacturers to invest more in southeast Asia instead of Mainland China. "We'll keep close watch on developments in Indonesia," he noted.

Vice Economic Affairs Minister Yang Shih-chien told a Legislative Yuan committee meeting that the Medan labor riot has not inflicted any damage on Taiwan-owned companies in Indonesia.

Yang pointed out Taiwan businessmen are generally regarded as "foreigners" in Indonesia, so they have not been affected by the anti-ethnic Chinese sentiment there.

Another Vice Economic Affairs Minister, S.J. Li, also said the ROC need not change its "southern strategy" simply because of the recent labor riot in Indonesia.

"The Indonesian Government is obligated to protect Taiwan investors since the two countries signed an investment guarantee agreement in 1990," Li explained.

During his recent visit to Jakarta, Li, on behalf of the ROC government, further signed a reciprocal tax exemption accord with Indonesia to avoid double taxation on investors from each side.

"Indonesian officials once assured me that Indonesia seeks steady economic development and will do its best to protect foreign investors," Li noted.

"I believe Indonesia will properly resolve its recent labor unrest soon," Li said.

Taiwan is the third largest foreign investor in Indonesia after Japan and Hong Kong, with its total investment standing at US\$4.03 billion at the end of 1993.

Premier Promises To Better Protect Farmers

OW1504144194 Taipei CNA in English 1322 GMT
15 Apr 94

[By Bear Li]

[Text] Taipei, April 15 (CNA)—Premier Lien Chan said Friday [15 April] that the government will take necessary steps to minimize the possible impact on farmers brought about by Taiwan's admission into the General Agreement on Tariffs and Trade (GATT). Lien made the remarks while receiving the chairmen of farmers' associations from around Taiwan.

Around 3,000 farm association representatives and farmers rallied in Taipei today, demanding that the government look out for their interests.

In meeting Premier Lien, Chien Chin-ching, chairman of the Taiwan Provincial Farmers' Association, submitted

a statement calling on the government to maintain the ban on rice imports and to raise NT\$100 billion to compensate farmers hurt by the opening of Taiwan's produce market.

The farmers also asked the government to implement a pension scheme for farmers, to lift restrictions on real-estate transactions involving farm land, to form a supraministerial organization to help farmers cope with the impact likely to be brought about by Taiwan's admission into GATT, and to increase the budget for agricultural development.

Lien promised that a governmental task force would be established to study ways to help farmers, who he said have long been the "weak group" in Taiwan.

Legislator Concerned by PRC Imports of Mirage Fighters

OW1804082194 Taipei CNA in English 0722 GMT
18 Apr 94

[By Sofia Wu]

[Text] Taipei, April 18 (CNA)—Military authorities should seek ways of improving the electronics installed in the Mirage 2000-5 jet fighters Taiwan has bought from France, Legislator Ting Shou-nhung said Monday [18 April].

The Kuomintang lawmaker made the call after a military intelligence bureau publication revealed that Mainland China imported two Mirage fighters from France last year and has removed electronic equipment from one of the fighters for research.

Ting, convener of the Legislative Yuan's national defense committee, said France apparently has adopted a two-pronged strategy of simultaneously selling mirage fighters to both Taiwan and Mainland China.

Against this background, Ting said, the military should consider improving the performance of the fighters, particularly their electronic systems and equipment.

France agreed to sell Taiwan 60 Mirage 2000-5s for about U.S.\$6 billion in 1993. The first batch is expected to be delivered in 1996. Taiwan has also ordered six Lafayette-class frigates from France.

Under pressure from Beijing, France announced earlier this year that it would discontinue sales of offensive weapons to Taiwan. However, the French Government reaffirmed that it would honor its Mirage and frigate deals with Taiwan.

Majority Support Suspension of Exchanges With PRC

OW1804081994 Taipei CNA in English 0732 GMT
18 Apr 94

[By Danielle Yang]

[Text] Taipei, April 18 (CNA)—About 55 percent of all Taiwan manufacturers and exporters support the government's suspension of cross-Taiwan Strait exchanges after the March 31 Qiandao Lake incident in which 24 Taiwan tourists were killed while visiting Mainland China, according to survey results released Monday [18 April].

As many as 55.6 percent of those surveyed said they supported the government's temporary suspension of cross-strait exchanges in order to pressure Beijing to give satisfactory answers about the deaths, widely believed to be the result of foul play.

However, 52.4 percent of the respondents said they opposed an across-the-board suspension of cross-strait exchanges.

Meanwhile, 57.6 percent predicted that the government will further restrain cross-strait exchanges if Beijing fails to satisfactorily explain the incident.

Among the 105 Taiwan manufacturers who have invested or are preparing to invest in Mainland China, 40 percent agreed that the current restraint of cross-strait ties will have a negative impact on their mainland investments. Some 45.7 percent disagreed.

Fifty-eight percent of the 105 investors said they will uphold the government restrictions on cross-strait ties, while 20 percent said they will not hold to the restrictions.

Results of the April 11-15 survey were compiled from 252 responses.

Pro-Independence Sentiment Reaches 'All-Time High'

*OW1804090794 Taipei CNA in English 0842 GMT
18 Apr 94*

[By Danielle Yang]

[Text] Taipei, April 18 (CNA)—Pro-independence sentiment in Taiwan hit an all-time high after the March 31 Qiandao Lake incident in which 24 Taiwan tourists killed while visiting Mainland China, according to results released by the Gallup Poll Sunday [17 April].

The survey showed that following the Qiandao Lake tragedy, 27 percent of the 1,011 polled supported Taiwan independence, a record high, and 45.6 percent opposed Taiwan independence, a record low.

The survey also showed that 74.2 percent of the respondents believe communist China is hostile to Taiwan.

In southern Taiwan, the support for Taiwan independence was about equal with support for unification, standing at 36.7 percent and 36.4 percent respectively, the survey found.

The survey indicated that some who were previously supporters of reunification are now neutral while some who were previously neutral are now supporters of independence, the local media reported.

About 8.5 percent of those surveyed said that Taiwan will declare independence in the next five years, while 42 percent said they believe the status quo will prevail.

In the next ten years however, 8.9 percent said they believe Taiwan will declare independence and 14.3 percent said Taiwan will maintain the status quo.

Survey results were compiled from 1,011 responses by people 20 years of age or over. The survey has a margin of error of 3.1 percent.

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